



CCE-CB

Comptroller of the Currency
Administrator of National Banks

Community Bank Consumer Compliance

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CCE

Consumer Compliance Examination

Community Bank Consumer Compliance

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Background

The "Community Bank Supervision" booklet of the *Comptroller's Handbook* outlines how the OCC supervises community banks. It describes the three-part template the OCC uses to integrate risk-based supervision into all aspects of the supervisory process – core knowledge, core assessment, and expanded procedures. It also discusses supervision by risk and the supervisory process for community banks. "Community Bank Supervision" and the "Overview" booklet in the *Comptroller's Handbook for Compliance* are the foundation for this "Community Bank Consumer Compliance" booklet.

Community Bank Compliance

In differentiating between large bank and community bank supervision, the OCC takes into account the different policies, procedures, and systems that each type of bank may require. Except when otherwise required by law or regulation, most community banks can safely use less formal policies, procedures, and systems than larger banks. Notwithstanding the formality of the systems used, all banks, regardless of size, must ensure that their operations comply with all applicable consumer protection laws and regulations.

This booklet provides a comprehensive set of examination procedures that will assist community banks in assessing the integrity and effectiveness of their compliance risk management systems. OCC examiners will use the procedures in this booklet to test a sample of transactions to determine the bank's level of compliance and to gain an understanding of how bank management identifies, measures, controls, and monitors a bank's risk. When transaction testing reveals weaknesses in a bank's compliance risk management system, examiners may recommend changes to improve the bank's processes, policies, personnel, or controls. The OCC will not usually require or recommend changes to policies and systems without first identifying violations or weaknesses through transaction testing.

The OCC recognizes that many of the burdens of compliance fall with disproportionate weight on community banks, which may not have the ability to devote the kind of resources to compliance that are available to larger

banks. For that reason, only truly significant violations will be cited in the report of examination (ROE). Significant violations include those that involve criminal penalties, reimbursement, referral to other agencies, significant risk to the bank's capital, earnings, or reputation, or are subject to an OCC or interagency policy guide. Depending on the facts and circumstances, repeat or "pattern" violations may also represent significant violations.

The community bank consumer compliance procedures are a streamlined version of those used in large banks. The procedures:

- Focus on the most significant sections of the regulations – those with potential to cause customer harm or elicit public scrutiny.
- Limit sample sizes usually to five transactions for each product line or regulation.
- Include reviews of forms and disclosures only when there are changes.

Banks Subject to the Community Bank Compliance Procedures

These procedures apply to all community banks having total assets of less than \$250 million and lacking affiliation with banking institutions with total consolidated assets of \$1 billion or more including the community bank. These procedures may also be used in banks with total assets up to \$1 billion. In judging whether to use the community bank procedures in banks with assets between \$250 million and \$1 billion, examiners should consider the bank's structure, complexity of operations, geographic dispersion, and compliance management history. As needed, examiners should consult with the assistant deputy comptroller (ADC) for compliance operations for guidance.

The Community Reinvestment Act (CRA) procedures in this handbook pertain to small banks, as defined in the CRA regulation. To obtain the procedures for small limited-purpose banks, small wholesale banks, small strategic plan banks, or large banks, examiners should refer to the "Community Reinvestment Act Examination Procedures" booklet.

Examination Process

In each section of the "Community Bank Consumer Compliance" booklet, examiners must meet examination objectives and reach conclusions during the course of the examination. The procedures lead the examiner to an

appropriate assignment of consumer and CRA ratings, and a proper assessment of the risks posed by the bank's compliance activities. The compliance examiner completes the risk assessment at the conclusion of the examination and forwards the findings to the bank portfolio manager or the examiner in charge of the safety and soundness examination of the bank. (Refer to the standards in the "Community Bank Supervision" booklet on examination conclusions and examination communication, review, and closing.)

The Scope of the Community Bank Compliance Examination

Generally, the community bank compliance examination scope includes a transaction-based review of all regulations and completion of all procedures in this booklet applicable to the bank under examination. However, the following exceptions may be made:

- Consumer laws and regulations that have been subject to an adequate, reliable, and independent audit in the 18 months preceding the examination do not need to be included in the examination scope. Additionally, if the overall audit is not reliable, but the audit for specific laws and regulations is adequate, those areas can be waived. However, the Bank Secrecy Act (BSA) and the Flood Disaster Protection Act (FDPA) must be reviewed regardless of the bank's audit process. If every law and regulation has received an adequate, reliable and independent audit in the 18 months preceding the examination, then the examination scope must include the FDPA, the BSA, and a minimum of three additional consumer laws and regulations. To select the areas for examination, examiners should consider high-risk products and services, complex laws or regulations where violations or deficiencies may be likely and areas where there are indications of deficiencies, such as consumer complaints, or prior problems.
- Generally, fair lending examinations are performed only at those banks screened for fair lending reviews. Banks are selected for fair lending examinations using various risk factors. These examinations focus on a particular product, decision center, prohibited basis, or time period. Additionally, a number of banks are chosen at random for a fair lending examination. Fair lending examinations may be streamlined based on a bank's fair lending self-evaluation. (For more information on the screening program see the "Fair Lending" booklet of the *Comptroller's Handbook for Compliance*.)

- CRA is reviewed less frequently than consumer compliance in banks that received a "satisfactory" or "outstanding" rating at their last CRA examination and that have total assets of \$250 million or less.
- Community banks may be targeted for expanded BSA/anti-money laundering examinations. Banks are targeted using various risk factors, and examinations focus on identified areas of risk.

Expanding the Scope of the Community Bank Procedures

When management is ineffective or the bank has a high-risk profile, the supervisory office may adopt a more specialized examination strategy to analyze the bank's compliance management system and learn which areas of bank operations warrant more sophisticated policies and processes. The supervisory office may also expand procedures for any area of a bank that offers complex products, does business in high volume, has significant violations, or exhibits other risk factors. However, such an expansion will not normally include additional transaction testing, but may instead focus on compliance management processes or include selected procedures from other booklets to target the area of risk.

Community Bank

Consumer Compliance Examination Procedures

Core Assessment

The core assessment standards for community banks, as set forth in the "Community Bank Supervision" booklet of the *Comptroller's Handbook*, comprise two separate but related programs – community bank monitoring and on-site examination. Compliance supervision activities are conducted in accordance with those standards.

The core assessment for on-site compliance examinations is organized by regulation, or by grouping of regulations. Each section has conclusions, objectives, and steps that must be completed during an examination. Generally, each section applicable to the bank must be completed (see "Scope of the Community Bank Examination" above).

Examination Planning

If the compliance examination is being conducted concurrently with a safety and soundness examination, examination-planning activities are coordinated to prevent duplication of effort and to ensure a consistent examination approach. The procedures below include CRA and fair lending steps that should be followed if CRA or fair lending is included in the examination scope. Steps appropriate only to CRA examinations are designated by [CRA].

Objective 1: Determine bank characteristics and identify the preliminary scope and objectives of the examination.

1. Obtain and review the following information. Identify any previous problems to determine whether corrective action has been taken and, if not, why not.
 - ☐ Previous reports of examination that include a compliance examination, Information Technology (IT) servicer and software vendor reports related to consumer compliance applications, and the most recent CRA public evaluation.

- ☐ OCC electronic files:
 - Examination analysis comments
 - Supervisory strategy
 - Quarterly review comments
 - Report of supervisory data (list of prior violations)
 - Risk assessments
 - Financial and statistical models and databases
 - ☐ Management's response to the previous report of examination (ROE) and OCC's follow-up activities.
 - ☐ Previous examination working papers and working papers related to the review of internal controls, internal/external audit, and IT reviews of compliance applications.
 - ☐ Complaint information from the OCC's Customer Assistance Group (CAG) (one month's advance notice is requested).
 - ☐ Currency Transaction Reports (CTRs), Suspicious Activity Reports (SARs), and Federal Reserve cash flow information from designated district personnel (one month's advance notice is requested).
 - ☐ The supervisory office's CRA public file. [CRA]
 - ☐ Correspondence file.
 - ☐ Community contact information on file in the district office. (When available, information can be obtained from the interagency community contact database.) [CRA]
 - ☐ Information from the bank's Internet site, if applicable.
2. Upon reviewing the above information, the Uniform Bank Performance Report (UBPR), Home Mortgage Disclosure Act (HMDA) reports, and other available bank lending data, determine the following:

- Bank financial condition. [CRA]
- Business strategy.
- Products and services offered and those introduced since the previous examination, including products and services offered electronically.
- The level of electronic banking offered by the bank (informational, communicative, or transactional), if applicable.
- Number of products or transactions.
- Bank's locations, markets, and decision centers.
- Key personnel by department.
- Internal or external factors that could affect the compliance area.
- Laws and regulations that are applicable to the bank's operations.
- Whether an examination of fair lending compliance is required. Examiners will be notified if a fair lending examination is to be included in the examination scope.

Note: If a fair lending examination is not conducted, a review for Regulation B technical compliance is included in the "Other Compliance Regulations" procedures in this booklet.

3. Telephone or briefly visit with bank management four to six weeks before the scheduled examination to discuss:

- Examination timing.
- Examination scope and objectives.
- General information about examiners' schedules and staffing levels.
- Whether key compliance personnel will be available during the examination.

- The audit/compliance review function, and the program areas audited/reviewed in the prior 18 months.
 - Significant changes since the last examination in business strategy, bank products, services, or delivery channels (including home and electronic banking).
 - Changes since the last examination in bank management, key personnel, or operations.
 - Changes since the last examination in processes, forms, contracts, software programs, vendors, or services.
 - Significant pending or threatened litigation.
 - Purchase, acquisition, or merger possibilities.
 - Changes since the last examination in technology, including operational systems, or plans for new products/activities that involve new technology.
 - Other financial institutions bank management considers similarly situated. [CRA]
 - Management identified issues from consumer complaints.
 - Management concerns about compliance activities or the OCC's supervision, including any areas management would like the OCC to consider in the examination scope.
4. Determine whether the bank's audit/review function should be reviewed to potentially streamline the examination. If so, consider performing the Audit/Compliance Review procedures before the start of the exam. If not, perform a complete transaction-based examination and do not perform the Audit/Compliance Review examination procedures.
 5. Discuss the bank and associated risks with the portfolio manager and ADC, as appropriate.

6. Revise the bank strategy if changes are needed and obtain supervisory office approval for any significant changes (e.g., expanding the scope due to the identification of high-risk areas). Update the strategy in OCC electronic files.

Objective 2: Prepare for on-site examination activities.

1. Finalize the scope and objectives of the compliance examination and prepare a written scope memorandum, as appropriate.
2. After initial contact with the bank, but generally no later than one month before the start of the examination, send a request letter (see appendix) to the bank. The request letter should be modified to reflect the examination scope, and it should provide:
 - The examination start date, the date of the last examination, and the names of two branches, if applicable, for the BSA and Expedited Funds Availability Act (EFAA) samples.
 - The examination scope and objectives.
 - Advance information the bank must provide the examination team, including due dates for the submission of requested items.
 - Information the bank must have available for the examiners upon their arrival at the bank.
 - The name, e-mail address, and telephone number of the OCC contact.
3. Prepare examining staff assignments to ensure that the examination scope and objectives are achieved and determine the level of examination work that can be completed off-site. The assignments should include the dates by which off-site and on-site activities should be complete. Rather than assigning examiners to complete each program individually, you should normally:
 - Designate one examiner to review advertising copy, including web site advertising, if applicable, for the Truth in Lending Act (TILA) and the Truth in Savings Act (TISA).

- Use a single file review process to review the TILA, FDPA, Homeowners Protection Act of 1998 (HPA), and Real Estate Settlement Procedures Act (RESPA). Using this process ensures that:
 - The file review takes place at the beginning of the examination.
 - One sample is selected.
 - Each examiner participating in the file review completes the worksheets for compliance with all of the aforementioned laws.
 - After the worksheets are completed, they are distributed to the examiner responsible for the applicable programs.
 - Use a single file review process to review fair lending, HMDA, and the residential real estate portion of the CRA.
 - Use a combined review of the deposit laws and regulations (EFTA, EFAA, and TISA) to select a sample of periodic statements and to review initial disclosures.
4. Prepare supplies and working paper files for the examination. Ensure that examiners incorporate newly adopted or revised laws or regulations into examinations.

Objective 3: Review request letter information to select samples.

Note: Perform these procedures after receiving request letter information, about two weeks before the start of the examination if possible. Also, if applicable, include transactions conducted electronically (e.g., Internet transactions) in the samples.

1. Review bank audit/compliance reports issued since the last examination, the list of laws and regulations reviewed or audited, and any management responses. Identify any problems that require follow-up and determine whether corrective action has been taken or, if not, why not.

2. If TILA is included in the examination scope, select from the loan trial balance a closed-end loan sample, including five of each of the closed-end loan types itemized below. (Once files are identified, the bank should be notified to have these files available when you arrive at the bank.)
 - Fixed rate, purchase money, residential mortgages.
 - Adjustable rate, purchase money, residential mortgages.
 - Second mortgage loans secured by principal dwelling.
 - Residential construction loans.
 - Residential mortgages subject to section 226.32.
 - Nonresidential consumer loans (one of each: secured, unsecured, installment, single-pay, and demand loans, if applicable).

Note: TILA samples should contain new transactions within the past 90 days, except the sample of closed-end adjustable rate mortgages (ARMs), which should include some older transactions whose rates have changed. When a sufficient sample cannot be drawn within the past 90 days, expand the time frame to 12 months. The open-end credit sample will be selected after arriving on site. For banks with trust departments (when the bank, not the plan sponsor, is responsible for making disclosures), include loans made from trust accounts that have originated 25 or more loans in the past 12 months.

3. Perform this step and steps 4 and 5 if the bank was selected for a fair lending examination. Review bank-provided information to determine the fair lending scope, as follows:
 - If the bank conducted a fair lending self-evaluation, follow the process in "Streamlining a Fair Lending Examination" in the "Fair Lending" booklet to determine whether the scope of the fair lending examination can be reduced.
 - If credit scoring is used for any product to be reviewed for fair lending compliance, review the credit-scoring appendix in the "Fair Lending" booklet.
 - Identify potential products to examine using loan trial balances, the HMDA-loan/application register (LAR), or other reports or estimates of application volume. Segregate home purchase, refinance, and home improvement if possible. Consumer loans

should be included only if warranted by the dollar amount and number of loans originated since the last examination. If origination data is not readily available, use the dollar amount and number of loans of each loan type on the bank's balance sheet (or loan trial balance).

4. Unless predetermined, set the fair lending scope and examination approach and select (as much as possible from the HMDA-LAR, other registers, or loan trial balances) the sample for the comparative analysis. Select the:
 - Product. Generally, select one product (e.g., conventional home purchase, credit card, motor vehicle, commercial). However, products can be combined for comparative analysis if they have the same underwriting standards as may be the case, for example, for purchase and refinance loans. (Review the Fair Lending booklet for more information on product selection.)
 - Decision center.
 - Time period (usually the 12 months preceding the examination).
 - Prohibited basis group. Select the one race or national origin group that has the greatest likelihood of receiving less favorable treatment, provided it has at least five approved (for the loan terms approach) or five denied (for the benchmark approach) applications in the past 12 months. If no such group has five applications, compare individual male applicants to individual female applicants (include applicants from all races and national origins). For HMDA products, numbers of applications can be counted from the HMDA-LAR. For products not subject to HMDA, selecting the prohibited basis and other planning decisions can be based on a combination of estimates obtained from the bank regarding the race or sex mix of applicants and on-site counts of applications by examiners.

Note: Although the comparison will focus on only one prohibited basis, examiners must follow up on indications of discrimination on other prohibited bases if they find them. Also, if there is no government monitoring information in the files, examiners may be able to structure a comparative analysis using surrogates, such as Hispanic surname, that would have

made the applicant's race, sex, etc., known to an underwriter reviewing the application file. Prior to performing an examination using surrogates, examiners should consult their ADC for compliance operations, who may consult Compliance Operations (CO) and/or Community and Consumer Policy (CCP).

- Control group (the race, national origin, or sex group that is likely to receive more favorable treatment than the prohibited basis group).
- Examination approach. Examiners must complete a comparative file review unless no product has sufficient applications to meet the minimum standards discussed below. To test whether a prohibited basis group has been treated less favorably than a control group, examiners should use one of the following approaches:
 - *Benchmark.* Determines whether applicants from one prohibited basis group were denied while applicants from a control group, who were no better qualified, were approved. The prohibited basis group must have at least five denials and the control group must have at least 20 approvals in the past 12 months in the same loan product.
 - *Loan terms.* Determines whether applicants from one prohibited basis group received less favorable rates, terms, or conditions than applicants from a control group who were no better qualified. The prohibited basis group must have at least five approvals and the control group must have at least 20 approvals in the past 12 months in the same loan product.
 - *Alternative.* If there are not a sufficient number of applications for race, national origin, or sex comparison using either the benchmark or loan terms approaches, obtain authorization from the appropriate ADC for compliance operations to use the alternative approach. If authorized to use this approach, review the bank's loan policies and select a sample of at least 10 diverse applications (different products, underwriters, branches, etc.), both approved and denied. **For each application,**

complete the "Other Explicit Illegal Limitations on Credit Worksheet" in the appendix.

5. Determine how many approved and denied applications for the selected product should be reviewed, using the table below. The HMDA loan sample can be specified using the LAR before going on-site. For non-HMDA products, this step will be performed on-site, using adverse action files, loan committee minutes, or other records to identify denied applications.

Note: If either the benchmark or loan terms approach reveals possible discrimination, notify the ADC for compliance operations and increase the number of prohibited basis group files reviewed up to a maximum of 50, as well as control group files up to a maximum of 100.

If the population of files is much greater than the sample size called for by the table, consider selecting the sample using a shorter review period (some part of the previous 12 months), or selecting denials for only certain reasons or approvals with the longest processing times.

APPROACH*	FILE TYPE	SAMPLE SIZES	EXPANDED SAMPLE IF POSSIBLE DISCRIMINATION
Benchmark	Prohibited basis (PB) group denials	20 (or all if ≥ 5 and ≤ 20)	Up to 50
	Control group approvals	4 x PB denials (up to 50)	Up to 100
Loan Terms	PB group approvals	20 (or all if ≥ 5 and ≤ 20)	Up to 50
	Control group approvals	20	Up to 100

* If there are not at least five prohibited basis applications to compare with at least 20 control group applications, select a different approach, product, or prohibited basis.

6. If CRA is included in the examination scope, perform this step and step 7. Identify the CRA sample using the guidelines below. The CRA sample will be used to determine the bank's percentage of loans located in the bank's assessment area(s) (AA), to evaluate the bank's borrower and geographic distribution within the assessment area, and, if applicable, to test the accuracy of the bank's own analyses. Loans from the CRA sample may also be used for other parts of the compliance examination and vice versa if a joint examination is performed.

A CRA sample includes randomly selected loans and all community development loans originated since the last CRA examination. The

minimum random sample is 20 loans. Generally the random sample will be 40-60 loans, presuming two to three primary loan types. However, if your analysis reveals performance weaknesses or the selected sample size is not sufficient to evaluate the bank's performance, additional files may be added to the sample. If the data for the bank's primary loan types are automated and software is available to analyze them, include in the analysis all loans originated or purchased in the primary loan categories.

Select a sample from each metropolitan statistical area (MSA) in which the bank has an office. If the bank's AAs do not include MSAs and the bank's AAs are homogenous and can be combined for analysis purposes, the sample may be selected from the combined AA.

- Identify the primary loan types that the bank originated in each AA during the evaluation period by considering the number and dollar volume of loans originated since the last examination. For example, if home purchase loans and business loans each make up 40 percent of the loans originated in an AA since the last examination, they would be the primary loan types. If possible, segregate home mortgage loans by type, i.e., home purchase (one-to-four family), refinancing, home improvement (one-to-four family), and multifamily.
- Randomly select 20 loans from the primary loan types that were originated since the last examination, regardless of location. Calculate the in/out ratio, keeping in mind that each bank has only one such ratio, regardless of the number of AAs that it has designated. Once you have determined the in/out ratio, set aside the loans that are outside of the AAs. Continue to randomly select additional loans until you have selected at least 20 loans of each primary loan type within each AA. (Refer to Table CRA-1).
- Include all community development loans originated since the last examination in the CRA sample.

Table CRA-1

Primary Loan Type	Loans in Sample to Evaluate Small Bank's Performance in an AA or test Accuracy of Bank-Prepared Analysis
Residential real estate-related loans, such as home purchase	Minimum 20 and maximum 60 loans within the AA*
Business	Minimum 20 and maximum 60 loans within the AA
Farm	Minimum 20 and maximum 60 loans within the AA
Consumer	Minimum 20 and maximum 60 loans within the AA
Community Development	All loans
Typical sample	40-60 loans in AA plus all community development loans
Typical sample for HMDA-reporter	All primary type loans that were reported under HMDA, a randomly selected sample of all other primary loan types and all community development loans.

* If the primary loan type is reported under HMDA and a software program is available to analyze these loans, include all primary type HMDA loans in the sample.

7. If weaknesses are identified in the bank's performance, or if there are insufficient data to accurately evaluate the bank's performance, use numerical statistical sampling to expand the sample. (See Table CRA-2.) Loans already sampled may be included in the expanded sample. For example, if the original sample was 20 home purchase loans, 20 business loans, and 20 consumer loans, the expanded sample will be 60 home purchase loans, 60 business loans, and 60 consumer loans.

Table CRA-2

Performance Criteria	Performance Problems	Expanded Sample Size
In/out ratio	Result is less than or equal to 50%	60 loans of each primary loan type*
Geographic distribution analysis	Does not meet the standard for satisfactory performance	60 loans of each primary loan type*
Borrower distribution analysis	Does not meet the standard for satisfactory performance	60 loans of each primary loan type*

* See "Sampling Methodologies" booklet, numerical sampling guidance.

8. For all samples selected (Truth in Lending, fair lending, and CRA), document the sample selection process (e.g., the total dollar amount and total number of the population from which the sample was drawn, products and prohibited basis group/control group selected, time period used, and the dollar amount and number of loans sampled).
9. As applicable, notify the bank and ask that the Truth in Lending, fair lending, and CRA files be available for review upon arrival or by another selected date.

Objective 4: Establish the scope of the CRA examination.

Use these procedures for interstate and intrastate community banks with total assets of less than \$250 million that are independent or are affiliated with a holding company that has total assets of less than \$1 billion. For interstate banks, a rating must be assigned for each state where the bank has a branch and for each multistate MSA where the bank has branches in two or more states that make up that MSA.

1. Review prior CRA performance evaluations, available community contact materials, and HMDA performance data, including the bank's lending activities by AA, the lending of other lenders in those markets, and demographic information from those markets.
2. Select AAs for on-site review, as appropriate, by considering the following factors. (In most community banks the number of AAs will be limited. In these cases, all AAs should be reviewed.)
 - a. The significance of the area to the bank in terms of the number of branches, volume of deposits (based on FDIC data), and HMDA loans, in each area, compared with the bank's overall activities for the state. (The FDIC Web site is www2.fdic.gov/structur/search/index_inst.cfn.)
 - b. The lending opportunities in the different AAs.
 - c. The level of the bank's lending activity in the different AAs, particularly low- and moderate-income areas.
 - d. The number of other institutions in the different AAs and how important the services of the bank under examination are to those areas, particularly any areas with few other financial service providers.
 - e. Comments and feedback received from community groups and the public regarding the bank's CRA performance.
 - f. The existence of apparent anomalies in the reported HMDA data for any AA.
 - g. The length of time since an AA was last reviewed on-site.

- h. The bank's previous CRA performance in its different AAs.
- i. Information developed during CRA examinations of other banks and previous community contacts in the bank's AAs or similar AAs.
- j. Any AAs that were added or modified.

Objective 5: Perform certain CRA examination procedures.

1. Review bank-provided CRA information, demographic data, HMDA analyses, a UBPR customized for similarly situated institutions, and:
 - Calculate the average loan-to-deposit ratios for similarly situated institutions.
 - Determine the bank and nonbank competition the bank faces in its AAs. Identify specific competitors and determine the bank's relative size in its market.
 - Review community contact forms completed in the past 12 months in the AAs. When available, information can be obtained from the interagency community contact database.
 - Obtain and review performance evaluations for similarly situated banks that serve the same or similar AAs. Also consider obtaining performance evaluations on other banks in the AAs to provide information on the availability of lending, investment, and service opportunities.
 - Obtain unemployment data for the AAs (available on <http://www.stats.bls.gov/lauhome.htm>).
 - Evaluate borrower and geographic distribution of HMDA loans if applicable.
2. Review community contact information prepared by the regulatory agencies. Contact a district community affairs officer (CAO) and review the CAO database on the district home page on OCCnet for information about lending, investment, and service opportunities in the bank's market(s).

3. Contact local community, governmental, or economic development representatives to update or supplement available information. Perform appropriate contacts with at least one community organization and document findings. Community contacts may involve joint meetings with a number of community based organizations operating in a common geographic market. Refer to the "Community Contact Procedures" in the "Community Reinvestment Act" booklet for more detail.
4. If the bank has requested that it be considered for an "outstanding" rating, review all qualified investments and community development (CD) services to ensure that they meet the regulatory definitions (12 CFR 25.12(j) and (s)) and relevant questions and answers).

Note: A small bank can receive an "outstanding" rating solely on its lending performance.

5. Perform those procedures in the "Performance Context," "Assessment Area," and "Loan to Deposit Analysis" sections of the CRA procedures for small banks that can be performed off-site.

Objective 6: Conduct on-site planning meetings.

1. Meet with the primary bank compliance contact and appropriate members of senior management at the beginning of the examination to:
 - Explain the scope of the examination, the role of each examiner, and how the team will conduct the examination.
 - Confirm the availability of bank personnel.
 - Identify communication contacts.
 - Answer any questions.
2. Meet with the examination staff at the beginning of the examination to confirm:
 - Scope and objectives.
 - Workdays.
 - Assignments and due dates.

- Administrative duties.
 - Guidelines for contact and communication between the examining team, bank management, and OCC supervisory offices.
3. Open a compliance analysis in applicable OCC electronic files using the date on which the examination begins.

Note: If necessary, refer to the "Examination Planning and Control" booklet of the *Comptroller's Handbook* for more detail on planning an examination.

Audit/Compliance Review

Conclusion: The bank's audit/compliance review program (is/is not) reliable.

Examiners use these procedures when they determine that the bank's audit/review function should be reviewed to potentially streamline the examination scope.

Objective 1: Conduct scope-setting activities.

1. Review information obtained during examination planning.
2. Obtain audit/compliance review procedures, reports, management responses, and working papers for reviews performed in the prior 18 months (whether performed by internal or external auditors or consultants). Also, obtain staff qualifications, experience, job responsibilities, and reporting lines (see request letter).
3. Evaluate any corrective action for deficiencies identified during the previous examination regarding the bank's audit/compliance review program.

Objective 2: Evaluate the qualifications and independence of the audit/compliance review function.

1. Review staff qualifications, continuing education, and job experience and assess the quality of the audit/compliance review staff.
2. Review staff job responsibilities and reporting lines and assess the independence of the audit/compliance review function.
3. If the audit/compliance review function is qualified and independent, continue with objective 3 below. If the audit/compliance review is either not qualified or not independent, proceed to objective 5, step 3 below.

Objective 3: Evaluate the adequacy of audit/compliance review scope for all laws and regulations.

1. For each law and regulation audited/reviewed in the prior 18 months, review procedures and working papers and determine whether:
 - Procedures address all regulatory provisions (refer to the procedures in the Bank Secrecy Act/Anti-Money Laundering, Flood Disaster Protection Act, and Other Compliance Regulations sections of this booklet for guidance).
 - Procedures include samples that cover all product types and decision centers.
 - Work performed is accurate (through a review of some of the transactions included in the audit/review).
 - Significant deficiencies, and the root cause of the deficiencies, are included in reports to management and the board.
 - Corrective actions are timely and appropriate.
2. For each program area subject to an audit/review in the prior 18 months, determine whether the audit/review was adequate in scope and reliable.

Objective 4: Adjust the examination scope regarding consumer laws and regulations, if appropriate.

1. If appropriate, adjust the examination scope of consumer regulations by excluding programs, or portions of programs, such as specific product lines, that have received an independent, adequate, and reliable audit/review in the prior 18 months. However, at a minimum, BSA/anti-money laundering and Flood Disaster Protection Act sections of this booklet must always be performed, plus at least three additional program areas from the "Other Compliance Regulations" section. The three areas selected should include complex laws and regulations when violations or deficiencies (consumer complaints, prior problems, etc.) are likely. For the three areas selected, examiners can focus the procedures on high-risk products and services rather than reviewing all products covered by the specific law or regulation. In addition, the five-program minimum does not include CRA or fair lending examinations that may also be performed.

2. Distribute a copy of significant audit deficiencies for that area to each examiner assigned a program area.

Objective 5: Form a conclusion regarding audit/compliance review at the conclusion of the examination (return to this section at the examination conclusion).

1. Assess, for each law and regulation reviewed during the examination, whether:
 - Management took appropriate and timely action in response to audit/compliance review recommendations.
 - Examination findings were also identified in the compliance audit/review process, and if not, the reason.
2. Verify preliminary conclusions regarding the adequacy of the bank's audit/compliance review considering the timeliness and adequacy of management response and the adequacy of the audit findings for the laws and regulations examined. If, based on examination findings, the audit/compliance review function is now considered unreliable, expand the examination scope to examine laws, regulations, products or services previously excluded (see objective 4, step 1, above).
3. Complete working papers, adequately documenting the areas reviewed and discussions with management. Prepare a summary for the working papers, report of examination, and OCC electronic files, as appropriate.

Note: Examiners evaluate the bank's audit/compliance review function for the purpose of streamlining the examination scope. If audit deficiencies are found, examiners should discuss them with bank management. However, the OCC will not usually require or recommend changes to policies and systems without first identifying violations or weaknesses through transaction testing. Community banks can use an informal compliance risk management system provided it is effective.

Bank Secrecy Act and Anti-Money Laundering

Conclusion: The bank's anti-money laundering program (is satisfactory, needs improvement, is unsatisfactory).

Objective 1: Conduct scope-setting activities.

1. Review request letter information and SARs, CTRs, and Federal Reserve cash flow information obtained from designated district personnel.
2. Evaluate corrective action for any deficiencies or violations identified during the previous examination or identified by the bank.
3. Review correspondence from the Internal Revenue Service (IRS) or U.S. Treasury Department and any criminal or civil summons or subpoenas regarding BSA or money laundering. Determine whether the bank has implemented the appropriate action regarding the following:
 - Incorrect or incomplete CTRs, SARs, or report of foreign bank and financial accounts (FBARs) returned to the bank.
 - Information requests regarding possible criminal or civil enforcement.
4. From the reports obtained in the request letter and a review of CTRs, SARs, and wire transfer logs, select a sample of five accounts. As appropriate, the sample should focus on those accounts that represent the highest risk. (Refer to the "Bank Secrecy Act/Anti-Money Laundering" booklet for a discussion of high-risk entities. Examples include, private banking, nonresident aliens or foreign correspondent accounts from high-risk countries, money service businesses, private investment company accounts, and accounts with significant cash activity or significant wire activity involving high-risk geographies.) For each sampled account, request account opening and credit file information and copies of account statements for a three-month period.

Objective 2: Determine compliance with 31 CFR 103.

1. For each sampled account, identify any cash transactions aggregating more than \$10,000 and verify that a complete and accurate CTR was filed within the required time frame.
2. If the bank has an automated system in place to capture large currency transactions, through an evaluation of teller and other cash entry systems, determine that it captures all applicable cash transactions (i.e., all large cash-ins and cash-outs are reflected on the report). Also, ensure that it is comprehensive with regard to all points of cash entry and exit.
3. If the bank does not use an automated system, obtain and review teller operations on three selected consecutive days, focusing on high cash volume locations. Ensure that transactions are reviewed from all deposit-taking areas of the bank (e.g., mortgage banking department, private banking department, fiduciary, brokerage department, commercial loan department). Identify any cash transactions aggregating more than \$10,000 on the same day on by or on behalf of the same individual or by account and verify that a complete and accurate CTR was filed within the required time frame.
4. Using the sampled accounts of funds transfer activity, select five funds transfers and determine whether the bank:
 - Retains the records necessary for each originator of a funds transfer of \$3,000 or more (31 CFR 103.33(e)(1)(i), 31 CFR 103.33(e)(2)). This information may be with the payment order or in the bank's files if the customer has a loan or deposit account with the bank. Funds transfers include
 - Wire transfers.
 - Transfers from an originator's account to a beneficiary's account at the same bank.
 - Orders made in person or by telephone, facsimile, or electronic message.

- Retains the records necessary as an intermediary bank for transfers of \$3,000 or more (31 CFR 103.33(e)(1)(ii) and 31 CFR 103.33(g)(2)).
 - Retains the records necessary as a beneficiary bank for transfers of \$3,000 or more (31 CFR 103.33(e)(1)(iii), 31 CFR 103.33(e)(3)(i), and 31 CFR 103.33(e)(3)(ii)).
5. Review the bank's exempt customers and determine whether:
- They are designated in accordance with the requirements of 31 CFR 103.22(d)(2) and 31 CFR 103.22(d)(3);
 - Annual reviews (31 CFR 103.22(d)(4)) and biennial filings (31 CFR 103.22(d)(5)) are performed on required accounts;
 - A reasonable suspicious activity monitoring system is used on required accounts (31 CFR 103.22(d)(9)(ii)); and
 - Exemptions are revoked when they no longer meet the regulatory criteria (31 CFR 103.22(d)(8)).

Note: For guidance, refer to FinCEN's Web site (available by link on the OCCnet) and the "Bank Secrecy Act/Anti-Money Laundering" booklet.

For exceptions to 31 CFR 103.22(d), do not cite violations of 31 CFR 103.22(d), but consider whether there was a failure to file CTRs as required by 31 CFR 103.22(b).

6. Determine whether the bank filed a FBAR with IRS by June 30, if applicable (bank has a financial interest in, or signature authority over, one or more foreign bank, securities, or other financial accounts and the account(s) exceeded \$10,000 at any time during the previous calendar year)(31 CFR 103.24).
7. Select a sample of five transactions from the monetary instrument log or other records and determine whether the bank retains the required records (31 CFR 103.29(a)(1) and (a)(2)).

Objective 3: Evaluate the bank's compliance with suspicious activity reporting requirements (31 CFR 103.18, 12 CFR 21.11, and 12 CFR 21.21) and anti-money laundering practices.

1. Assess management's practices and policies for identifying and documenting the true identity of customers, including the identity of the ultimate (beneficial) owner when account ownership is not clearly indicated by the account title (e.g., trustee, agency, or nominee accounts). Review the policy and determine whether it includes the following for new accounts, and accounts opened by mail or through the Internet:

- Personal Accounts
 - Social security number or alien identification number.
 - Verification of acceptable identification (e.g., driver's license with photograph, passport, etc.).
 - Verification of customer's residence or place of business.
 - Consideration of the customer's source of income and level of anticipated account activity.
 - If applicable, a contact with a service bureau to determine whether a customer has been reported for overdrawing funds, check kiting schemes, etc.
- Business Accounts
 - Taxpayer identification number and legal name of the business entity.
 - Verification of legal status of the business (sole proprietorship, partnership, corporation, etc.), and identification for principals and authorized signers.
 - A description of the customer's principal line of business and the type of business operations performed (review of marketing brochures or business Web site, or verification with reporting agency).

- If applicable, verification of the name and location of the business with a reporting agency, and verification of the nature of the business.
 - For foreign business accounts, proof that the business is registered in the country of origin (e.g., articles of incorporation, license, registration).
 - For large commercial accounts, procurement of financial statements and a list of the major suppliers and customers.
 - Consideration of anticipated account activity and source of funds to open account.
 - If applicable, a contact with a service bureau to determine whether a customer has been reported for overdrawing funds, check kiting schemes, etc.
2. For the sampled accounts, review compliance with account opening documentation and verification requirements.
 3. Using the sampled accounts, review the account statements. Evaluate the transactions in the accounts and whether they are consistent with the type and nature of the business or occupation of the customer. Examiners may need to request documentation on the transactions, such as copies of debit and credit items or wire transfer advices, to fully understand the account activity. Be alert for transactions structured in a way that would avoid CTR filing requirements.
 4. Determine whether the bank has an effective automated or manual system to detect, over a period of time, structured transactions below the \$10,000 CTR reporting threshold. If so, select a sample of five accounts and determine whether transactions were structured and whether the bank filed a SAR if appropriate.
 5. If the bank has payable-through accounts (PTA) with foreign banks or special use accounts (concentration accounts), determine whether they are maintained according to the guidelines contained in the "Bank Secrecy Act/Anti-Money Laundering" booklet.

6. If the bank accepts international transactions by means of pouch or courier, request that management open a pouch in the presence of two examiners. Examiners should view pouch contents on three occasions.
 - Evaluate internal controls used by management to manage the risks involved with pouch activity, such as the use of logs and review processes.
 - Determine whether CTRs, SARs, or reports of international transportation of currency or monetary instruments (CMIR) were filed when appropriate.
 - Review contents for suspicious patterns of activity.
7. If the bank transacts wire transfers for customers or noncustomers that are "payable upon proper identification" (PUPID), review PUPID transactions over the last three months. Review the transactions for suspicious patterns of activity, and evaluate internal controls to manage the risks involved, such as the use of logs and review processes.
8. Review the last five SARs the bank filed and determine whether they were completed accurately and in a timely manner. Also, review the analysis or documentation on any transactions that were considered for a SAR filing, but where the decision was made not to file a SAR. Determine whether the decision was appropriate and supported.
9. If a review of the reports or account activity listed in the previous steps reveals any activities for which the bank cannot provide a reasonable explanation, discuss the matter with the bank's BSA compliance officer. Determine whether the bank has filed a SAR regarding this activity according to the requirements of 12 CFR 21.11. If not, contact your supervisor. (In consultation with your supervisor, decide whether to perform additional procedures, file a SAR, or both.)

Objective 4: Evaluate the bank's BSA compliance program and compliance with 12 CFR 21.21.

1. Determine whether the bank has developed a Bank Secrecy Act compliance program that conforms with the requirements of 12 CFR 21.21 and encompasses all bank products and services, including those delivered electronically. The program should address CTR, SAR,

and FBAR requirements. Evaluate the adequacy of each of the program's components:

- **Internal controls.** Review bank management information systems and practices used to identify suspicious activity and large currency transactions. Review practices used to identify high-risk bank customers and high-risk transactions. From the examination process thus far, evaluate and summarize the bank's internal controls used to ensure compliance with the BSA. The summary should address CTR, SAR, and FBAR reporting requirements and the BSA record keeping requirements.
- **Independent testing.** Review working papers and scope of the previous audit/compliance review. Evaluate its accuracy, risk focus, and thoroughness (for example, does it cross all business lines and include transactional testing).
- **Designated responsibility for coordinating and monitoring day-to-day compliance.** Review the BSA compliance officer's job description and job responsibilities.
- **Training.** Review program content, attendance, and frequency.

Note: If violations of 12 CFR 21.21 are noted, examiners must consider an enforcement action as outlined in 12 USC 1818(s)(3). However, minor infractions of 12 CFR 21.21 should be addressed as internal control exceptions. For example, if a bank has a training program, its failure to train every employee should be treated as an internal control exception. However, the lack of a training program altogether is a significant omission, and the examiner should recommend a cease and desist order or other appropriate remedial action. Examiners should discuss potential 12 CFR 21.21 violations with the supervisory office, ADC for compliance operations, and district counsel prior to notifying management.

2. Review management's employment screening process to determine the safeguards (background checks, length of residence, etc.) that have been implemented to protect the bank against hiring individuals with suspicious backgrounds. Select and review three personnel files for reasonableness and compliance with bank policy.

Objective 5: Determine the bank's level of compliance with Office of Foreign Assets Control (OFAC) regulations.

1. Review bank procedures used to monitor transactions for compliance with OFAC regulations and determine whether new accounts, established accounts, and other customer transactions are regularly compared with the current OFAC listing. Assess the adequacy of the bank's procedures. See the "Bank Secrecy Act/Anti-Money Laundering" booklet.

Objective 6: Determine whether to expand the procedures, develop a plan for corrective action, or both.

1. If you are unable to determine whether a violation is a pattern or practice, expand the sample (up to 15 additional items, days, or accounts). For these additional transactions, review only the issue in question to establish whether or not a pattern or practice exists for the violation identified.
2. For significant weaknesses or violations considered to be a pattern or practice, determine the root cause by focusing on the bank's:
 - Policies.
 - Processes.
 - Personnel.
 - Controls.

Consider, in consultation with the EIC and ADC, whether insider involvement is an issue for further review.

3. For violations involving unreported large currency transactions, instruct the bank to seek back-filing instructions from the IRS Detroit Computing Center, Compliance Review Group (313-234-1613).
4. Determine whether a violation should be referred to another agency, or whether civil money penalties or other enforcement actions should be recommended. For guidance refer to PPM 5000-7 (Rev), OCC Bulletin 98-32, and appendix C of the "Bank Secrecy Act/Anti-Money Laundering" booklet. Also, consult with the EIC, ADC, ADC for compliance operations, and district counsel. Note recommendations for referrals to other agencies, as well as recommendations for enforcement actions, in OCC's electronic files.

5. If appropriate, suggest corrective action on any identified violations or weaknesses in the bank's anti-money laundering program.

Objective 7: Conclude the review for the Bank Secrecy Act and Anti-Money Laundering.

1. Prepare a list of all violations for management, and discuss them with the EIC and management.
2. Discuss findings with the EIC and management. Obtain a commitment from management for corrective action.
3. Complete working papers, adequately documenting the files reviewed and discussions with management. Prepare a summary for the working papers, report of examination, and OCC electronic files, as appropriate. Refer to PPM 5400-8.
4. Update OCC's electronic files with all violations of law or regulation. Examiners must enter narrative summaries (type 70 analysis in SMS or violation summary text field in Examiner View) for violations of 31 CFR 103.18(a)(1), 103.22(b)(1), 103.23(a), 103.23(b), 103.24(a), 12 CFR 21.21 and 12 CFR 21.11 and any BSA violations that are included in a report of examination.

Flood Disaster Protection Act

Conclusion: Compliance with the Flood Disaster Protection Act (is satisfactory, needs improvement, is unsatisfactory).

Objective 1: Conduct scope-setting activities.

1. Review information obtained during examination planning (or complete planning activities).
2. Evaluate corrective action for any deficiencies or violations identified during the previous examination or by the bank.
3. Determine whether the bank has offered a new product, changed terms, or changed disclosure forms (include Internet activities). If so, obtain disclosure forms and notices, as applicable.
4. Determine whether any of the communities in the bank's lending area have designated flood areas and whether any of the communities are participating in the National Flood Insurance Program (NFIP). Obtain flood maps, if available, and contracts between the bank and third parties that provide flood determination services (vendors, appraisers, etc.).
5. Select a sample of five residential real estate loans from the Regulation Z sample if possible. Also, obtain a sample of five commercial real estate loans. Include, if applicable, transactions conducted electronically (include loans in special flood hazard areas and loans that have received flood insurance renewal notices).

Objective 2: Review a sample of transactions to test compliance with the Flood Disaster Protection Act.

1. Using the sample:
 - Verify the accuracy of the information on the "Standard Flood Hazard Determination Form." If a third party performs flood determinations for the bank, assess whether the third party guarantees in writing the accuracy of its determinations. If the bank performs its own determinations or relies on a third party

when a guarantee is lacking, verify the accuracy of the determinations by comparing information to the flood map.

- Complete the "Flood Disaster Protection Act Worksheet" in the appendix.

Objective 3: Determine whether to expand the procedures, develop a plan for corrective action for the Flood Disaster Protection Act, or both.

1. If you are unable to determine whether a violation is a pattern or practice, select up to 15 additional transactions that have the same characteristics as the transaction in violation. For these additional transactions, review only the item in question.
2. For significant violations or violations considered to be a pattern or practice, determine the root cause by focusing on the bank's:
 - Policies.
 - Processes.
 - Personnel.
 - Controls.
3. Determine whether the violations constitute a pattern or practice and whether civil money penalties (see 42 USC 4012a(f) & (g), OCC Bulletin 98-32 and PPM 5000-7(Rev)) or other enforcement action should be recommended. Per 42 USC 4012a(f), the OCC shall assess civil money penalties for a pattern or practice of noncompliance with the purchase, escrow, or notice requirements.
4. If appropriate, suggest corrective action for any identified violations or internal control weaknesses.

Objective 4: Conclude the review for the Flood Disaster Protection Act.

1. Prepare a list of all violations for management, and discuss them with the EIC and management. Document all violations in OCC's electronic files, and prepare ROE write-ups for all significant violations.
2. Discuss findings with the EIC and management. Obtain commitment for corrective action.

3. Complete working papers, adequately documenting files reviewed and discussions with loan officers/management. Prepare a summary for the working papers, report of examination, and OCC electronic files, as appropriate.

Other Compliance Regulations

Conclusion: Compliance with other compliance regulations (is satisfactory, needs improvement, is unsatisfactory).

Objective 1: Conduct scope-setting activities.

1. Review information obtained during examination planning (or complete planning activities).
2. Obtain and review any applicable correspondence from the Federal Reserve, such as notices regarding errors identified in processing the most recent HMDA-LAR.
3. Evaluate corrective action for any deficiencies or violations identified at the previous examination, by the bank, or in Federal Reserve correspondence.
4. Determine whether the bank has offered a new product, changed terms, or changed disclosure forms, including Internet activities. If so, obtain disclosure forms, notices (change-in terms and error resolution), deposit contracts, and loan contracts, as applicable (Truth in Lending Act, Truth in Savings Act, Expedited Funds Availability Act, Electronic Fund Transfer Act, Credit Practices Rule, and Consumer Leasing Act).
5. When selecting samples for the "other compliance regulations" review include, if applicable, transactions conducted electronically.

Objective 2: Review a sample of transactions to test compliance with the other compliance laws and regulations, as applicable.

Homeowners Protection Act

1. If the bank changed any of its disclosure and notification forms since the last compliance examination, obtain:
 - Initial disclosures for both fixed rate mortgages and adjustable rate mortgages entered into on or after July 29, 1999.
 - Annual notices for both fixed rate mortgages and adjustable rate mortgages entered into on or after July 29, 1999.

- Annual notices for mortgages originated before July 29, 1999.
 - Notices of cancellation and termination.
2. Select three residential mortgage loans that have PMI. (Select at least one fixed rate loan and one adjustable rate loan that have reached the midpoint of the amortization period or 78 percent of the original value.) Verify that the PMI is being automatically terminated in accordance with 12 USC 4902(b) and (c), as applicable.
 3. Obtain and review two recent written requests from borrowers to cancel their PMI on residential mortgage transactions. Verify that the PMI was cancelled in accordance with 12 USC 4902(a). If the bank determines that a mortgage does not meet the requirements for cancellation, verify that the bank provides the borrower notice in accordance with 12 USC 4904(b).
 4. Using the samples and disclosures obtained in steps 1, 2 and 3, complete the "Homeowners Protection Act Worksheet" in the appendix.

Regulation B Checklist. (Do not perform the next two steps if a fair lending review is part of the examination scope.)

5. Determine whether the bank has changed any application or notice forms covered by Regulation B. If so, compare them with model forms and clauses appended to Regulation B to verify compliance with 12 CFR 202.5, 202.9, and 202.13.
6. Review five approved and five denied consumer, business, and residential real estate loan application files against the "Technical and Procedural Compliance Worksheet" in the appendix.

Fair Credit Reporting Act (FCRA)

7. Use a sample of five accounts from recent reports provided to a consumer reporting agency (CRA), a sample of five accounts subject to notices received from a CRA, and five adverse action notices (include deposit denial notices if the bank relies on information from credit reports in the account opening process) to complete the "Fair Credit Reporting Act Worksheet" in the appendix. Also, include five complaints involving the use of credit reports or other consumer

information covered by the FCRA (including those received electronically).

Home Mortgage Disclosure Act (HMDA)

8. Using the last quarterly HMDA-LAR, select a sample of five of each type of HMDA reportable application. If the fair lending sample includes HMDA reportable loans, the HMDA review should be performed as part of the fair lending review.
9. Using the sample, determine:
 - a. The accuracy of the HMDA report by comparing information in loan files with that reported on the HMDA-LAR. (Be sure to verify all types of "action taken.") (12 CFR 203.4, 12 CFR 203.6(b), and appendix A)
 - b. Whether the bank includes data on the LAR on reasons for denial. (12 CFR 27.3)
10. Sample affected offices to determine whether the bank has posted the notice of availability of the HMDA disclosure statement. (12 CFR 203.5(e))

Truth in Lending Act (TILA)

11. Obtain the following samples:
 - Five of each applicable type of closed-end loan (determined during examination planning).
 - Five open-end rescindable loans and five closed-end rescindable loans (use closed-end loan sample).
 - For each changed or new open-end credit program, select five periodic statements. For banks with automated periodic statements, the sample may be reduced from five to two statements.
 - Solicitations and any accompanying disclosures (if the bank has sent direct mail applications or pre-approved solicitations for credit cards).

- From the bank's consumer complaint records (including those received electronically), five complaints regarding credit cards or ATM cards with access to credit.
 - Advertising copy (including Internet advertisements) for the past 12 months (should be coordinated with the TISA review).
12. If the bank changed disclosure forms, or introduced a new closed- or open-end credit program, verify the accuracy of the forms by comparing them with the model forms in appendixes G and H of 12 CFR 226. If there are any areas that differ from the model forms, ensure that they comply with the regulation. Complete the "Home Equity" and "Credit Cards" worksheets in the appendix.
 13. If the bank has changed its balance or finance charge computation methods for any open-end credit program or has implemented any new open-end credit program, check the accuracy of the computations for each program, using the sample of periodic statements from the request letter. (12 CFR 226.7(e),(f) and (g) and 226.14)
 14. If the bank makes closed-end mortgage loans subject to 12 CFR 226.32, determine that:
 - Loans are made only to consumers who are qualified to make the scheduled payments. (12 CFR 226.32(e)(1))
 - The required notice accompanies loans sold or assigned. (12 CFR 226.32(e)(3))
 15. Using the closed-end, rescission, and complaint samples and the advertising file, complete the following TILA worksheets in the appendix: "Advertising," "Closed-end Credit," "Closed-end Adjustable Rate Mortgages," "Right of Rescission," and "Special Credit Card Provisions and Billing Error Resolution." If applicable, include a review of any Web site advertisements when completing the "Advertising Worksheet."

Note: If there are TILA violations identified, determine whether corrective measures have been taken, including reimbursement, if applicable. If a reimbursable violation has been identified, refer to OCC Bulletin 98-44, "Administrative Enforcement Policy Statement,"

and OCC Bulletin 99-34, "Guidance for Examiners and Bankers. " For closed-end credit only, reimbursement is only required with respect to loans made since the last examination of any type.

Real Estate Settlement Procedures Act (RESPA)

16. Using real estate files from the TILA or HMDA samples, select a sample of five loans to include residential purchase money, refinance, and subordinate lien mortgages. Complete the "Real Estate Settlement Procedures Act Worksheet" in the appendix.
17. Through discussions with bank personnel, determine whether fees are paid to any outside party who refers real estate loan applicants to the bank, or whether the bank receives fees for making referrals. If so, review a sample of transactions to ensure compliance with 12 USC 2607 and 24 CFR 3500.14, regarding the prohibition against payment or receipt of kickbacks and unearned fees. (See information in appendix of the "Real Estate Settlement Procedures Act" booklet.)
18. Through discussions with bank staff and the file review, determine whether the bank has any affiliated business arrangements (24 CFR 3500.15). If so, verify that the bank discloses to the borrower, on a separate piece of paper at the time of each referral, at the time of loan application or with the good-faith estimate when the lender makes a referral (see appendix D of 24 CFR 3500):
 - The nature of the relationship (explaining the ownership, financial interest, or other relationship) between the provider and the financial institution; and
 - The estimated charge or range of charges generally made by such provider.

Also, verify that the bank:

- Does not require the use of such a provider, except that the institution may require a buyer, borrower, or seller to pay for the services of an attorney, credit reporting agency, or real estate appraiser chosen by the bank to represent its interest. (24 CFR 3500.15(b)(2))

- Receives only a return on ownership or franchise interest or payment otherwise permitted by RESPA. (24 CFR 3500.15(b)(3))

Truth In Savings Act (TISA)

19. Obtain the following:

- Advertising copy (including Internet advertisements) for the past 12 months (should be coordinated with TILA review).
- A current list of simple interest rates and annual percentage yields (rate sheet) paid on each type of interest-bearing deposit account from a new accounts representative.
- For each changed or new interest-bearing deposit product since the last examination, five periodic statements (two, if statements are automated) for each type of interest-bearing deposit account.
- One maturity notice for each type of time account offered, as follows:
 - Maturities longer than one year that renew automatically. (12 CFR 230.5(b)(1))
 - Maturities of longer than one month but no longer than one year that renew automatically. (12 CFR 230.5(b)(2))
 - Maturities longer than one year that do not renew automatically. (12 CFR 230.5(c))

20. If the bank changed any of its initial account disclosure forms since the preceding compliance examination:

- Review those forms to ensure that the content complies with section 12 CFR 230.4(b) and is disclosed clearly and conspicuously in a form the customer may keep, per section 12 CFR 230.3(a).
- Review the disclosures to determine whether the bank disclosed that it will NOT pay interest accrued but uncredited on closed accounts. If there is no disclosure regarding interest accrued but

uncredited, sample five closed accounts (different account types) to ensure that it was paid. (12 CFR 230.4(b)(2)(ii))

21. Using the current list (rate sheet) of interest rates and annual percentage yields (APYs), verify for each type of interest-bearing deposit account that the APYs on the rate sheet were calculated accurately within .05 percent (5 basis points), using the OCC's APY program. (12 CFR 230.3(f)(2) and appendix A of the regulation)
22. If the bank changed its method of calculating annual percentage yield earned, changed the way it calculates amount of interest earned, or implemented any new interest-bearing programs since the last examination, review the sample of periodic statements and determine whether:
 - The annual percentage yield earned (APYE), using that term, is disclosed on the periodic statement. (12 CFR 230.6(a)(1))
 - The APYE is calculated in accordance with appendix A of the regulation. (12 CFR 230.6(a)(1))
 - The amount of interest earned during the statement period is accurately disclosed. (12 CFR 230.6(a)(2))
23. Determine how the bank ensures that time deposit notices are provided before maturity. Review the maturity notice for each time account type offered to ensure it includes the required disclosures. (12 CFR 230.5(b))
24. Review each advertising promotion (including any advertisements on the Internet) for the past 12 months to determine whether the advertisements accurately represent the terms of the bank's deposit contracts. Verify that the advertisements include all required disclosures. (12 CFR 230.8)

Expedited Funds Availability Act (EFAA)

25. If the bank changed any EFAA disclosure forms since the preceding compliance examination, verify that the content of the forms complies with the regulation (12 CFR 229.16(b)). If the bank made disclosures electronically, verify that the bank obtained the customer's agreement and made accurate disclosures. (12 CFR 229.15(a) commentary)

26. Using hold or other availability reports and records from the main office and two branch offices (if any) for the last six months, select a sample of at least one recent transaction item in each of the following three categories: next-day, local, and nonlocal. Also, select five items made available after the nonlocal schedule (e.g., new account, large deposit, redeposited check, repeated overdraft, reasonable cause, and emergency conditions). Request applicable account statements and copies of debit and credit tickets for sampled items, and complete the "Expedited Funds Availability Act Worksheet" in the appendix.

Electronic Fund Transfer Act (EFTA)

27. Determine whether, since the prior compliance examination, the bank changed account terms, revised the error resolution notice, or revised the initial EFTA disclosures. If so, verify that the required disclosures were made and that customers were notified of changes in terms at least 21 days prior to the effective date. If the bank made disclosures electronically, verify that the bank obtained the customer's agreement, and made timely and accurate disclosures. (12 CFR 205.4, 205.7 and 205.8)
28. From the bank's consumer complaint records (include those received electronically), select a sample of five recent electronic fund transfer complaints (including complaints on unauthorized transactions) or the documentation relating to five lost/stolen ATM cards (or a combination of both), and their respective periodic statements. Review the complaint sample and the complainant's periodic statements covering the time period from when the complaint was made through resolution to determine whether:
- The consumer liability provisions for unauthorized transfers are applied in practice. (12 CFR 205.6(b))
 - Periodic statements include required disclosures. (12 CFR 205.9(b))
 - Alleged errors are investigated and consumers are notified of the results within the allotted time and, when appropriate, the account is provisionally credited (including interest and any fees where applicable). (12 CFR 205.11(c))

- The financial institution follows regulatory procedures after completing the investigation and determining that no error or a different error occurred. (12 CFR 205.11(d))
29. If the bank has failed to comply with the regulation's procedures on error resolution, require the bank to review its records and credit improperly charged accounts (crediting them with lost interest and any fees when appropriate). (12 CFR 205.11)

Interest on Loans

30. Using the Reg Z sample, determine that interest rates do not exceed applicable usury limits. (12 USC 85 and applicable state law)
31. Using the consumer loan trial balance, select five mobile home loans whose rates appear to be in excess of the applicable usury rate (after determining applicable usury rates). Determine whether the rates on the mobile home loan sample exceed the applicable usury rate. If rates do so, determine whether:
- Refunds of a precomputed finance charge are calculated on the actuarial method or a method at least as favorable as the actuarial method. (12 CFR 590.4(c))
 - No prepayment penalty is imposed. (12 CFR 590.4(d))
 - Late charges are disclosed in writing and assessed accurately. (12 CFR 590.4(f))
 - Deferral fees are disclosed in writing and assessed accurately. (12 CFR 590.4(g))
 - The notice of default before repossession, foreclosure, or acceleration is sent to the debtor 30 days before action is taken. (12 CFR 590.4(h))
 - The notice of default contains the required disclosures. (12 CFR 590.4(h)(2))

Interest on Deposits

32. Obtain and review the NOW account trial balance and verify that businesses (other than a sole proprietorship or a person doing business under a trade name) are not permitted to hold NOW accounts. (12 CFR 204.130(c)(2)) (12 USC 1832(a))
33. Determine whether the bank has implemented procedures, including the closing of accounts when necessary, to prevent more than six third-party transfers and withdrawals per calendar month from savings accounts, including money market deposit accounts as described in 12 CFR 204.2(d)(2).
34. Using the documentation of the last five time deposits paid prior to maturity (from the request letter information), verify the accuracy of any interest penalty and payment computations. (12 CFR 204.2(c)(1))

Right to Financial Privacy Act (RFPA)

35. Select a sample of five requests for customers' financial records by federal government authorities and determine that the bank:
 - Provided customer financial records to federal government authorities only after receiving the required written certification. (12 USC 3403(b))
 - Does not require a customer's authorization for disclosures of financial records as a condition of doing business. (12 USC 3404(b))
 - Maintains appropriate records of all disclosures of a customer's records made to a government authority in connection with a government loan, guaranty, or insurance program. Determine whether the bank allows customers to examine those records upon request. (12 USC 3413(h)(6))
 - Keeps appropriate records when a customer authorizes it to release his or her financial records. The bank's records should include a copy of the request and the identity of the government authority. Determine whether the bank provides customers with a copy of the records upon request (unless a court order has been obtained blocking access). (12 USC 3404(c))

Credit Practices Rule

36. If the bank has changed its consumer credit contracts or has acquired loans originated by other creditors, complete the "Credit Practices Rule Worksheet" in the appendix. (12 CFR 227)

Branch Closing Requirements

37. Determine whether the bank is following branch closing requirements by completing the "Branch Closing Requirements Worksheet" in the appendix. This step can be waived if the bank does not have any branches, or has not changed its branch closing policy since the last compliance examination and has not closed a branch since the last compliance examination. (12 USC 1831r-1)

Consumer Leasing Act

38. If the bank originated consumer lease transactions, obtain the consumer lease trial balance and select a sample of five transactions. Complete the "Consumer Leasing Act Worksheet" in the appendix. (12 CFR 213)

Fair Debt Collection Practices Act (FDCPA)

39. If the bank has acted or is acting as a debt collector under the FDCPA, select a sample of five collection files from a list of accounts in process of collection. Complete the "Fair Debt Collection Practices Act Worksheet" in the appendix. (15 USC 1692)

Objective 3: Determine whether to expand the procedures, suggest corrective action for the other regulations, or both.

1. If you are unable to determine whether a violation is a pattern or practice, select up to 15 additional transactions that have the same characteristics as the transaction in violation. For these additional transactions, review only the item in question.
2. For significant violations or violations considered to be a pattern or practice, determine the root cause by focusing on the bank's:
 - Policies.
 - Processes.

- Personnel.
 - Controls.
3. Determine whether civil money penalties (see OCC Bulletin 98-32 and PPM 5000-7 (Rev)), a referral to another agency, or other enforcement actions should be recommended.
 4. If appropriate, suggest corrective action for any identified violations or internal control weaknesses.

Objective 4: Conclude the review for other compliance regulations.

1. Prepare a list of all violations for management, and discuss them with the EIC and management. Document all violations in OCC's electronic files and prepare ROE write-ups for all significant violations.
2. Discuss findings with the EIC and management. Obtain commitment for corrective action.
3. Complete working papers, adequately documenting laws and regulations reviewed, files reviewed, and discussions with loan officers/management. Prepare a summary for the working papers, report of examination, and OCC's electronic files, as appropriate. Refer to PPM 5400-8.

Fair Lending

Conclusion: Compliance with fair lending laws and regulations (is satisfactory, needs improvement, is unsatisfactory).

Note: Do not conduct a fair lending examination unless the bank was selected for examination in the fair lending screening process or was selected in the random sample of banks to receive fair lending examinations.

Objective 1: Conduct scope-setting activities.

1. Review information obtained during examination planning (or complete planning activities).
2. Evaluate corrective action for any deficiencies or violations identified during the previous examination or by the bank.
3. Meet with the senior underwriter to clarify underwriting requirements, computation of ratios, interpretation of credit reports, and other underwriting practices. If underwriting criteria are vague or file documentation is poor, meet with lenders and use the "Underwriter Interview Guide" in the "Fair Lending" booklet to clarify lending practices.
4. Determine whether the bank has changed any application or notice forms covered by Regulation B. If so, compare them with model forms and clauses appended to Regulation B to verify compliance with 12 CFR 202.5, 202.9, and 202.13.
5. Review the "Other Explicit Illegal Limitations on Credit Worksheet" in the appendix. Complete it after conducting the benchmark or loan terms file review to note any violations observed during comparative file review.
6. If the fair lending examination includes comparative file review, review one approved and one denied consumer, business, and residential real estate loan application file against the "Technical and Procedural Compliance Worksheet" in the appendix. If applicable, include transactions conducted electronically (i.e., home banking/Internet transactions) in the sample. Note any violations. During the

comparative file review, see whether those violations recur and note any other violations identified.

Objective 2: Perform a comparative file analysis using a benchmark or loan terms approach if transaction volumes are sufficient. Otherwise, complete the alternative approach.

Use the sampling guidelines in the "Examination Planning" section of this booklet and perform the following procedures.

Benchmark Approach

Identify benchmarks among the prohibited basis group's denied applications and compare with approvals to determine whether there appears to be disparate treatment.

1. For each file, verify that the stated reason for denial is supported by the facts in the file. If not, learn why.
2. If an adverse action notice states more than one *serious* deficiency that is documented in the file, remove that transaction from further analysis. If each of the deficiencies seems too *minor* to be fatal, include the application in comparisons for each reason.
3. For each reason for denial, identify the one prohibited basis applicant denied for that reason that was the best qualified with respect to that criterion. Note those qualifications. Those are benchmarks. For example, identify the applicant with the most extensive credit history among the applicants denied for "insufficient credit history."
4. Review the sample of control group approvals and identify every one that appears to be no better qualified than a prohibited basis denial benchmark regarding the reason for that denial. Those "approval overlaps" taken together with the benchmarks are instances of apparent disparate treatment.

NOTE: Before determining whether overlaps exist, consider whether the qualifications to be compared must be adjusted to account for assistance from the bank. For example, if a control group applicant's debt-to-income ratio was 42 percent because the bank included short-term overtime income, and a prohibited basis group applicant who was denied because of "insufficient income" would have had his or her

ratio reduced from 46 percent to 41 percent if short-term overtime income had been included, treat such income consistently, with the result that 41 percent, not 46 percent, would be the benchmark and the approval would be an overlap.

5. For every reason for denial that has an "approval overlap," check the other applications from the prohibited basis group that were denied for the same reason to learn whether the "approval overlaps" overlap them also.
6. Solicit and document explanations from bank staff directly familiar with the transactions for every instance of apparent disparate treatment or other potential violations. Perform additional procedures, as needed, to evaluate the explanations, such as reviewing additional files or interviewing loan officers. As needed, consult "Evaluating Responses to Evidence of Disparate Treatment," which is appended to the "Fair Lending" booklet.
7. Complete the "Other Explicit Illegal Limitations on Credit Worksheet" in the appendix and identify any potential violations observed during the benchmark file review. The violations on this worksheet do not require interpretation of the comparative treatment of applicants. Consider only whether the bank treated applicants as explicitly required by law. Determine whether there are any concerns with the bank's policy or lending practices and whether any customers were injured because of potential violations identified.

Loan Terms Approach

Determine whether there appears to be disparate treatment by comparing approved applicants from one prohibited basis group to approved control group applicants.

1. For each type of rate, term, or condition for which the credit decision maker has discretion, identify any prohibited basis group customers in the sample whose rates, terms, or conditions vary unfavorably from policy or from the usual treatment of control group customers in the sample as discussed by underwriters (objective 1, step 3), or that reflect unfavorable discretion by the loan officer with regard to:
 - Rate.
 - Down payment.

- Fees.
- Maturity.
- Escrow.
- Collateral.
- Co-signers.
- Any other conditions.

Document in the working papers the loan terms of the loans sampled.

2. Obtain and document explanations from staff directly familiar with the transactions for the unfavorable rates, terms, or conditions of the customers in the prohibited basis group.
3. Determine whether any control group customers in the sample received better rates, terms, or conditions than prohibited basis group customers despite having negative characteristics equal to or worse than those the bank cited to explain the unfavorable treatment of prohibited basis group customers. If so, the prohibited basis and control group customers treated differently are instances of apparent disparate treatment.
4. Solicit and document explanations from bank staff directly familiar with the transactions for every instance of apparent disparate treatment or other potential violations. Perform additional procedures, as needed, to evaluate the explanations, such as reviewing additional files or interviewing loan officers. As needed, consult "Evaluating Responses to Evidence of Disparate Treatment," which is appended to the "Fair Lending" booklet.
5. Complete the "Other Explicit Illegal Limitations on Credit Worksheet" in the appendix and identify any potential violations observed during the loan terms file review. These violations do not require interpretation of the comparative treatment of applicants. Consider only whether the bank treated applicants as explicitly required by law. Determine whether there are any concerns with the bank's policy or lending practices and whether any customers were injured because of potential violations identified.

Alternative Approach

If no benchmark or loan terms analyses are undertaken:

1. Review the bank's loan policies and a sample of ten diverse applications (different products, underwriters, branches, etc.), both approved and denied, and for each one complete the "Other Explicit Illegal Limitations on Credit Worksheet" in the appendix. Note any potential violations of the requirements stated in the worksheet. These violations do not require interpretation of the comparative treatment of applicants. Consider only whether the bank treated applicants as explicitly required by law.
 - Determine whether there are any concerns with the bank's policy or lending practices and whether any customers were harmed because of potential violations identified.
2. Solicit and document explanations from bank staff directly familiar with the transactions for every potential violation. Perform additional procedures, as needed, to evaluate the explanations, such as reviewing additional files or interviewing loan officers.
3. Review five approved and five denied consumer, business, and residential real estate loan application files against the "Technical and Procedural Compliance Worksheet" in the appendix.

Objective 3: Evaluate findings to determine compliance with other aspects of the fair lending laws and regulations.

1. Consider other potential violations, including whether:
 - The files provide any other evidence that the lender acted selectively on a prohibited basis (for example, treating files as "incomplete" or inviting explanations for delinquencies).
 - Any oral or written statements indicate that prohibited factors were considered in credit policies or decisions.
 - Application or underwriting requirements or policies by the bank appear to disproportionately burden or exclude the prohibited basis group, or members of the prohibited basis group are selectively deterred from applying. If so, consult the disparate impact appendix in the "Fair Lending" booklet.
2. Evaluate whether any violations documented on the "Technical and Procedural Compliance Worksheet" require management attention.

3. Confer with examiners performing the CRA and advertising portions of the examination to determine whether there are any indications of possible illegal "redlining" or discriminatory marketing. If there are such indications, consult appropriate experts within the OCC.

Objective 4: Determine whether to expand the procedures, develop a plan for corrective action, or both.

1. If you are unable to determine whether a technical or procedural violation (from objective 3, step 2 above) is a pattern or practice, select up to 15 additional transactions that have the same characteristics as the transaction in violation. For those additional transactions, review only the item in question.
2. For significant violations or technical and procedural violations considered to be a pattern or practice, determine the root cause by focusing on the bank's:
 - Policies.
 - Processes.
 - Personnel.
 - Controls.
3. If there are no unexplained fair lending matters, proceed to objective 5. If there are instances of apparent disparate treatment or other potential violations identified on the "Other Explicit Illegal Limitations on Credit Worksheet" (these violations are significant even when isolated) consult with the compliance EIC and take the steps below.
 - Document the relevant information, copy the pertinent documents from the files, or both.
 - Present management with a list of potential violations asking for responses. Consult your compliance liaison if assistance is needed.
 - As needed, also consult "Evaluating Responses to Evidence of Disparate Treatment," as appended to the "Fair Lending" booklet, and verify the bank's responses. Explain that unless there is a reasonable explanation, the examiner will recommend

to the supervisory office that the bank be found in violation of the applicable fair lending laws.

4. If there are any indications of efforts by the bank to deter prohibited basis group customers or to refer or advise them unfavorably, consider contacting the ADC for compliance operations about potential use of pre-application, matched-pair testing to document the institution's treatment of potential applicants.
5. If, at the end of the on-site examination, the bank's responses do not satisfactorily explain the apparent disparate treatment or other violations identified on the "Other Illegal Limitations on Access to Credit Worksheet,"
 - a. Review "Examiner and Supervisory Office Roles in Enforcement Process" in the appendix to the "Fair Lending" booklet.
 - b. Contact the district ADC for compliance operations through your compliance liaison and the bank ADC for input on drafting a summary of the issues involved and for formulating a strategy for completing the examination. Also, determine the content and timing of the communications with bank management called for in the "Fair Lending" booklet.
 - c. Inform bank management that the examiners will recommend that a violation be cited and that, if applicable, a referral may be made to DOJ and/or a notification to HUD.
 - d. Inform bank management that the supervisory office will send the bank a letter summarizing the potential violations and advising the bank that it has 30 days from the date of the letter to respond to the supervisory office before the district will act on the examiners' recommendation. Do not solicit corrective action for potential violations or state whether any corrective action taken or proposed by the bank is sufficient.

Objective 5: Conclude the review for fair lending.

1. Prepare a list of all technical violations for management, and discuss them with the EIC and management. For violations related to discrimination, refer to the "Fair Lending" booklet for guidance.

Document all violations in OCC's electronic files and prepare write-ups for all significant violations.

2. Discuss findings with the EIC and management.
3. Complete working papers, adequately documenting files reviewed and discussions with loan officers/management. Prepare a summary for the working papers, report of examination, and OCC electronic files, as appropriate. Refer to PPM 5400-8.

CRA Procedures for Small Banks

Conclusion: The bank's CRA performance (is outstanding, is satisfactory, needs to improve, is in substantial noncompliance).

Objective 1: Conduct scope-setting activities.

1. Review information obtained during examination planning (or complete planning activities).

Objective 2: Understand the bank's performance context.

1. Review agency information sources to obtain relevant demographic, economic, and loan data, to the extent available, on each assessment area under review.
2. Obtain for review the Consolidated Reports of Condition (call reports), Uniform Bank Performance Reports (UBPR), annual reports, supervisory reports, and previous CRA evaluations of the bank under examination. Review financial information and CRA evaluations of banks of similar size that serve the same or similar assessment areas.
3. Consider any information the bank may provide on its local community and economy, its business strategy, its lending capacity, or any other subjects that will help you evaluate the bank's performance.
4. Review the bank's public file for any comments received by the bank or the OCC since the last CRA performance evaluation, specifically relating to the bank's performance in helping to meet community credit needs, for information that assists in the evaluation of the bank.
5. By reviewing public evaluations and other financial data, determine whether any similarly situated banks (in terms of size, financial condition, product offerings, and business strategy) serve the same or similar assessment areas and would provide relevant and accurate information for evaluating the bank's CRA performance. Consider, for example, whether the information could help identify
 - a. Lending opportunities available, and constraints affecting those opportunities, in the bank's assessment areas that are compatible

with the bank's business strategy and consistent with safe and sound banking practices.

- b. For banks requesting review of investment performance, qualified investment opportunities available, and constraints affecting those opportunities, in the bank's assessment areas that are compatible with the bank's business strategy and consistent with safe and sound banking practices.
 - c. Successful CRA-related product offerings or activities used by other lenders serving the same or similar assessment areas.
6. Document the performance context gathered to evaluate the bank's performance.

Objective 3: Determine the legality of the bank's assessment areas.

- 1. Review the bank's stated assessment areas to ensure that they:
 - a. Consist of one or more metropolitan statistical areas (MSAs) or contiguous political subdivisions (e.g., counties, cities, or towns).
 - b. Include the geographies where the bank has its main office, branches, and deposit-taking ATMs, as well as the surrounding geographies in which the bank originated or purchased a substantial portion of its loans.
 - c. Consist only of whole census tracts and block numbering areas.
 - d. Consist of separate delineations for areas that extend substantially beyond the boundaries of consolidated metropolitan statistical areas (CMSAs), MSAs, or states unless the assessment area is located in a multistate MSA.
 - e. Do not reveal illegal discrimination. (Refer to conclusions from the most recent fair lending examination.)
 - f. Do not arbitrarily exclude any low- or moderate-income areas, for example, by looking at areas just outside the assessment area, taking into account the bank's size, branching structure, and financial condition.

2. If a bank's assessment areas do not coincide with the boundaries of an MSA or political subdivision, assess whether the boundaries were adjusted because the assessment areas would otherwise be too large for the bank reasonably to serve, have an unusual configuration, or include significant geographic barriers.
3. If the assessment areas fail to comply with the applicable criteria described above, develop revised assessment areas that comply with the criteria, based on discussions with management. Evaluate the bank's performance in the revised assessment areas. Do not consider the revision as a performance issue in determining the bank's rating.

Objective 4: Evaluate the bank's record using the five performance criteria outlined in the regulation and, as appropriate, the bank's record of investments and services.

Discuss your findings in each criterion with management and form a conclusion about the bank's performance after completing the following steps:

Loan-to-Deposit Analysis

1. From data contained in call reports or the UBPR, calculate the bank's average loan-to-deposit ratio since the last examination by adding the quarterly loan-to-deposit ratios and dividing by the number of quarters. (Note: For purposes of this calculation, use net loans and leases to total deposits.)
2. Evaluate whether the bank's average loan-to-deposit ratio is reasonable in light of such circumstances as the bank's capacity to lend, the capacity of other similarly situated institutions to lend in the assessment areas, demographic and economic facts about the assessment areas, and the lending opportunities available in the bank's assessment areas.
3. If the loan-to-deposit ratio does not appear reasonable in light of the bank's performance context, consider the number and the dollar volume of loans sold to the secondary market, or the innovativeness or complexity of community development loans and lending-related qualified investments. Assess the extent to which these activities compensate for a low loan-to-deposit ratio.

4. Summarize in working papers the bank's loan-to-deposit ratio.
Document the source of data for calculating the loan-to-deposit ratio.

Comparison of Credit Extended Inside and Outside the Assessment Areas

1. If available, review HMDA data, automated loan reports, and any other reports that may have been generated by the bank to analyze the extent of lending inside and outside of the assessment areas. If a report generated by the bank is used, verify the accuracy of the output through a review of audit work papers or through independent testing.
2. If loan reports or data analyzing lending inside and outside of the assessment areas are not available or comprehensive, or if their accuracy cannot be verified, use sampling guidelines (in the "Examination Planning" section of this booklet) to select a sample of loans originated, purchased, or committed since the last CRA examination to calculate the percentage of loans (by number and dollar volume) located within the assessment areas.
3. If less than 50 percent of the bank's loans or other lending-related activities are in the assessment areas, the bank does not meet the standards for a "satisfactory" rating for this criterion. If it does not, consider such information as economic conditions, loan demand, the bank's size, financial condition, branching network, and business strategies to determine how the bank's failure to satisfy this criterion will affect its overall rating.
4. Summarize in working papers the bank's level of lending or other lending-related activities inside and outside its assessment areas.

Distribution of Credit Within the Assessment Areas by Geography

1. Determine whether the number and income distribution of geographies in the assessment areas are sufficient for a meaningful analysis of the geographic distribution of the bank's loans in its assessment areas.
2. If a geographic distribution analysis of the bank's loans would be meaningful and the necessary geographic information (street address or census tract (CT)/block numbering area (BNA) numbers) is collected by the bank in the ordinary course of its business, determine the

distribution of the bank's loans in its assessment areas among low-, moderate-, middle-, and upper-income geographies. When possible, use the same loan reports, loan data, or sample used to compare credit extended inside and outside the assessment areas. Document your analysis in the working papers.

3. If an analysis of the distribution of loans among geographies of different income levels would not be meaningful (for example, if the assessment areas have very few geographies or no low- or moderate-income geographies), consider possible proxies to use for analysis of the bank's distribution of credit. Possibilities include analyzing geographic distribution by street address rather than geography (if data are available and the analysis would be meaningful).
4. If a geographic analysis of loans in the assessment areas is performed, identify conspicuous gaps – groups of geographies in which there is little or no loan penetration. Absence of loans in any particular geography should not be a concern.
5. If there are conspicuous gaps, learn why. Consider the following:
 - a. The bank's size, branch network, financial condition, supervisory restrictions (if any), and CRA record;
 - b. The views of management, loan officers, and members of the community;
 - c. Economic conditions, particularly in the assessment areas;
 - d. Demographic or other characteristics of particular geographies that could affect loan demand, such as the existence of a prison or college; and
 - e. Information about other lenders serving the same or similar assessment areas.
6. Summarize in working papers the geographic distribution of loans in the bank's assessment areas.

Distribution of Credit within the Assessment Areas by Borrower Income

1. To the extent information about borrower income (individuals) or revenues (businesses) is collected by the bank in the ordinary course of its business, determine the distribution of loans for each major loan type in the assessment areas by borrower income and by business revenues. When possible, use the same loan reports, loan data, or sample used to compare credit extended inside and outside the assessment areas. Use the updated area median income figure (either for the MSA or the statewide non-MSA) to determine the appropriate income categories for individual borrowers.
2. If an analysis could not be performed because income data are not collected for certain loans, consider possible proxies to use for analysis of the bank's distribution of credit. Possibilities include analyzing the distribution by loan size as a proxy for income or revenues of the borrower. Define the relationship between loan size and business size, and document that revenue data was unavailable.
3. Identify categories of borrowers by income or business revenue for which there is little or no loan penetration.
4. If there are instances of low penetration, learn why. Consider the following:
 - a. The bank's size, branch network, financial condition, supervisory restrictions (if any), and CRA record.
 - b. The views of management, loan officers, and members of the community.
 - c. Economic conditions, particularly in the assessment areas.
 - d. Demographic (such as the percentage of families in each income category) or other characteristics of particular geographies that could affect loan demand, such as the existence of a prison or college.
 - e. Information about other lenders serving the same or similar assessment areas.

5. Summarize in working papers the distribution of loans by borrower income and business revenue in the bank's assessment areas.

Review of Complaints

1. Review all complaints (including those received electronically) relating to the bank's CRA performance received by the bank (these should be in the bank's public file) and the supervisory office (these should be in the district office or with the OCC's Customer Assistance Group).
2. If there were any complaints, evaluate the bank's record of taking action, if warranted, in response to written complaints about its CRA performance.
3. Summarize in working papers conclusions regarding the bank's record of taking action, if warranted, in response to written complaints about its CRA performance. Provide the total number of complaints and resolutions. Give examples of the complaints that illustrate their nature, how responsive the bank was to them, and how they were resolved.

Investments and Services

1. If the bank chooses, review its performance in making qualified investments and in providing branches, alternative delivery systems, and other services that enhance credit availability in its assessment areas. Such information may be used to raise a bank's overall "satisfactory" rating. It cannot be used to lower that rating.
2. To evaluate the bank's performance in making qualified investments that enhance credit availability in its assessment areas, consider the:
 - a. Dollar volume of qualified investments, by type and location.
 - b. Impact of those investments on the credit needs of the bank's assessment areas, including low- and moderate-income areas.
 - c. Innovativeness or complexity of the investments.
3. To evaluate the bank's record of providing branches, alternative delivery systems, and other services that enhance credit availability in its assessment areas, consider the:

- a. Number of branches and ATMs located in the bank's assessment areas.
- b. Number of branches and ATMs located within, or that are readily accessible to, low- and moderate-income geographies compared with those located in, or readily accessible to, middle- and upper-income geographies.
- c. Type and level of services offered at branches and ATMs and alternative delivery systems.
- d. Bank's record of opening and closing branches.

Objective 5: Determine the bank's CRA ratings.

- 1. Group the analyses of the assessment areas examined by MSA and non-MSA areas within each state where the bank has branches. If a bank has branches in two or more states of a multistate MSA, group the assessment areas that are in that MSA.
- 2. Summarize conclusions about the bank's performance in each MSA and the non-MSA portion of each state in which an assessment area was examined using these procedures.
- 3. For assessment areas in MSA and non-MSA areas that were not examined using these procedures, consider facts and data related to the bank's lending to form a conclusion whether or not the performance in those assessment areas is not inconsistent with the performance in the rest of the state (or multistate MSA) in which examinations were performed using these procedures.
- 4. Determine the relative significance of each MSA and non-MSA area to the bank's preliminary rating in a state or multistate MSA by considering:
 - a. The significance of the bank's activities in each compared with the bank's overall activities.
 - b. The lending opportunities in each.

- c. The importance of the bank in providing loans to each, particularly in light of the number of other institutions and the extent of their activities in each.
 - d. Demographic and economic conditions in each.
- 5. Assign a preliminary rating of "outstanding," "satisfactory," "needs to improve," or "substantial noncompliance" for each state in which the bank has at least one branch and for each multistate MSA in which the bank has branches in two or more states in accordance with the "Small Bank Ratings Matrix" in the appendix and information in the working papers. Assign a preliminary rating of:
 - a. "Outstanding" if the bank meets the rating descriptions and standards for "satisfactory" for each of the five core criteria, and so materially exceeds the standards for "satisfactory" in some or all of the criteria, particularly the distribution of credit within the assessment area by geography and borrower income. Alternatively, assign a preliminary rating of "outstanding" if the bank's performance with respect to the five core criteria generally exceeds "satisfactory" and its performance in making qualified investments and providing branches, other services, and alternative delivery systems in the assessment area(s) supplement its performance under the five core criteria sufficiently to warrant an overall rating of "outstanding."
 - b. "Satisfactory" if the bank's performance meets each of the standards for a "satisfactory" rating or if exceptionally strong performance with respect to some of the standards compensates for weak performance in others.
 - c. "Needs to improve" or "substantial noncompliance" if the bank's performance fails to meet the standards for "satisfactory" performance. Whether a rating is "needs to improve" or "substantial noncompliance" will depend upon the degree to which the bank's performance has failed to meet the standards for a "satisfactory" rating and how long the bank's performance has been less than "satisfactory."
- 6. For a bank with branches in only one state, the state rating is the overall bank rating. For banks with branches in more than one state or multistate MSA, assign a preliminary rating to the bank as a whole,

taking into account the bank's ratings in different states or multistate MSAs by considering:

- a. The significance of the bank's activities in each compared with the bank's overall activities.
 - b. The lending opportunities in each.
 - c. The importance of the bank in providing loans to each, particularly in light of the number of other institutions and the extent of their activities in each.
 - d. Demographic and economic conditions in each.
7. Review the results of the most recent fair lending examination and determine whether the findings should lower the bank's overall CRA rating or, if applicable, its CRA rating in any state or multistate MSA. If evidence of discrimination was uncovered, consider:
 - a. The nature and extent of the evidence.
 - b. The policies and procedures that the bank has in place to prevent discriminatory or other illegal credit practices.
 - c. Any corrective action the bank took or committed to take, particularly voluntary corrective action resulting from a self-assessment conducted prior to the examination.
 - d. Other relevant information, such as the bank's past fair lending performance.
8. Assign a final rating to the bank as a whole and, if applicable, to each state in which the bank has at least one branch and to each multistate MSA in which it has branches in two or more states. Consider the:
 - a. Bank's preliminary rating.
 - b. Results of the most recent fair lending examination.

Note: Before assigning a final rating of less than "satisfactory," discuss conclusions with the EIC and a district compliance specialist.

Objective 6: Evaluate the bank's compliance with public file requirements.

1. There is no need to review each branch or each complete public file during every examination. In determining the extent to which the bank's public files should be reviewed, consider the bank's record of compliance with the public file requirements in previous examinations, its branching structure and changes to it since its last examination, complaints about the bank's compliance with the public file requirements, and any other relevant information.
2. In any review of the public file undertaken, determine, as needed, whether branches display an accurate public notice in their lobbies, and whether a complete public file is available in the bank's main office and at least one branch in each state. This public file should contain:
 - a. All written comments from the public relating to the bank's CRA performance and responses to them for the current and preceding two calendar years (except those that reflect adversely on the good name or reputation of any persons other than the bank).
 - b. The bank's most recent "CRA Public Performance Evaluation."
 - c. A map of each assessment area showing its boundaries and, on the map or in a separate list, the geographies contained within the assessment area.
 - d. A list of the bank's branches, branches opened and closed during the current and each of the two previous calendar years, and their street addresses and geographies.
 - e. The HMDA disclosure statement for the two previous calendar years, if applicable.
 - f. The bank's loan-to-deposit ratio for each quarter of the previous calendar year.
 - g. A quarterly report of the bank's efforts to improve its record if it received a less than "satisfactory" rating during its most recent CRA examination.

- h. A list of services (loan and deposit products and transaction fees generally offered, and hours of operation at the bank's branches), including a description of any material differences in the availability or cost of services among locations.
3. In any branch review undertaken, determine whether the branch provides the most recent public evaluation and a list of services available at the branch or a description of material differences from the services generally available at the bank's other branches.

Objective 7: Determine compliance with 12 USC 1835a, section 109 (Riegle-Neal Interstate Banking and Branching Efficiency Act of 1994).

1. Determine if the bank has covered interstate branches established pursuant to the Riegle-Neal Interstate Banking and Branching Efficiency Act of 1994. If so, complete the "Prohibition Against Interstate Deposit Production Worksheet" in the appendix.

Note: The Riegle-Neal Interstate Banking and Branching Efficiency Act of 1994 was amended by the Gramm-Leach-Bliley Act. The updated regulation and procedures implementing this amendment will be posted on the OCCnet when they are available. Until then, use these procedures (see worksheet in appendix).

Objective 8: Conclude the CRA review.

1. Discuss conclusions with the EIC and management. Obtain from management planned actions to address performance that is considered less than "satisfactory." Document management's response in the OCC's electronic files.
2. Write an evaluation of the bank's performance for the examination report and the public evaluation.
3. Complete working papers, adequately documenting files reviewed and discussions with loan officers/management. Prepare recommendations for a supervisory strategy and for matters that require attention or follow-up activities. Prepare a summary for the working papers, report of examination, and OCC electronic files, as appropriate. Refer to PPM 5400-8.

Examination Conclusions

Conclusion: The consumer compliance rating is (1, 2, 3, 4, 5).

Objective: Determine the overall condition of the bank's compliance activities.

1. Upon completing examination activities, review working papers. Determine whether they have been completed in accordance with existing standards and the examination's scope and conclusions are adequately documented. Refer to PPM 5400-8.
2. Document all violations of law and regulation. Also, note which violations are indicative of a pattern or practice, reimbursable, and significant. Briefly describe the root cause of such violations by citing any weaknesses in:
 - Internal controls.
 - Audit/compliance review.
 - Training.
 - Management oversight.
 - MIS.
 - Other areas.
3. Determine whether reimbursements, referrals to other agencies, civil money penalties (CMPs), or other enforcement actions should be recommended.
4. Using the examination findings, summarize your conclusions concerning the bank's compliance risk management system, focusing on:
 - Violations of law, regulations, or significant internal control deficiencies, and their root causes, and any identified weaknesses in the compliance management system.
 - The timeliness, completeness, accuracy and relevance of MIS for compliance risk. Consider the source of reports, controls over report preparation, and independent validation of report accuracy.

- The overall conclusion about the adequacy and reliability of the bank's compliance management system. (The compliance management system can be considered adequate when transaction testing reveals a good compliance record.)
 - Action needed to correct violations and weaknesses in the bank's compliance management system, if any.
5. Determine whether any items identified during this examination could materialize into supervisory concerns before the next on-site examination (considering whether the bank has plans to increase monitoring in the affected area, or anticipates changes in personnel, policy, outside auditors, consultants, or business strategy). If so, summarize your concerns and assess the potential risk to the bank.
 6. For any risks identified during the examination, determine, and summarize in writing, the impact of consumer compliance on aggregate risk and direction of risk. Examiners should refer to guidance provided under the OCC's community bank risk assessment system (*Comptroller's Handbook*, "Community Bank Supervision").
 - Risk categories: compliance, transaction, reputation
 - Risk conclusions: high, moderate, or low
 - Risk direction: increasing, stable, or decreasing
 7. Review the Uniform Interagency Consumer Compliance Rating System guidance (see the "Overview" booklet in the *Comptroller's Handbook for Compliance*), and assign a preliminary consumer compliance rating. If applicable, recap the preliminary composite CRA rating and component CRA ratings.
 8. Provide conclusions and discuss them with the bank EIC, portfolio manager, and assistant deputy comptroller, as appropriate, including:
 - Summary of violations, risks, and direction of risks.
 - Composite reputation risk and recommended CMPs/enforcement actions, if any.
 - Recommended ratings and corrective action.
 - Quantity of risk and quality of risk management.
 - Aggregate compliance and transaction direction.
 - Recommended "Matters Requiring Attention" (MRA). (See *Comptroller's Handbook* booklet "Bank Supervision Process.")

If the consumer compliance rating is 3 or worse, or if the risk arising from compliance activities is high, contact the bank EIC and appropriate supervisory office and develop a strategy to address deficiencies before conducting the exit meeting.

9. Use summary comments to draft report of examination comments. Ensure that all examination findings are substantiated in the working papers. Develop MRAs only for significant deficiencies that warrant the attention of the board. (See *Comptroller's Handbook*, "Bank Supervision Process.")

Note: If the consumer compliance examination is not conducted in conjunction with a safety and soundness examination, consult the portfolio manager to determine whether a separate compliance report should be sent to the bank or comments should be held for the next safety and soundness examination.

Examination Communication, Review, and Closing

Conclusion: Complete the on-site examination.

Objective 1: Complete the report of examination, update data in the electronic information systems, and meet with management. If necessary, ensure that the bank initiates corrective action when the compliance management system is deficient or when violations of law or regulation are identified.

1. Discuss examination conclusions and review draft report comments with the appropriate supervisory personnel.
2. Provide an approved draft of examination comments to bank management to allow them to review the comments for accuracy. If examiners recommend that a fair lending violation be found, the fair lending and CRA portions of the ROE must not be issued until a final determination has been made. Other portions of the ROE can be completed and presented to the bank, but they must state clearly that the fair lending and CRA portions remain open and under review.
3. Hold an exit meeting with management to summarize examination findings:
 - Inform management of areas of success as well as areas of weaknesses.
 - Solicit management's commitment to correct material weaknesses.
 - Discuss the bank's risk profile, including conclusions from the risk assessment system.
 - Offer examples of acceptable solutions.
4. Update the OCC's electronic information system with conclusions, ratings, EV core knowledge information, and **all** violations of law or regulation (even violations not included in the ROE). Include, as appropriate:

- The examination scope.
 - The reasons for changes in the scope of the supervisory strategy.
 - The findings, conclusions, and the reasons for recommended enforcement actions, civil money penalties, or referrals to other agencies, if any.
 - Reasons for rating changes or confirmations.
5. Prepare the supervisory strategy for the next examination cycle. Follow guidance outlined in the introduction of this booklet. Include, if appropriate, interim or follow-up activities.
 6. Prepare the report and supervisory information comments and records for final review by the supervisory office.
 7. Complete and distribute assignment evaluations.

All appendix worksheets for the regulations reviewed must be completed and made part of the working papers. To complete, review the requirements and:

- For worksheets used with a file sample, place a "✓," an "X," or "N/A," as appropriate. Every "**X**" answer indicates a violation or exception. Violations of law or regulation and exceptions must be fully explained in the working papers.
- For yes/no worksheets, place a "✓" in the appropriate column, or indicate "N/A." A "**NO**" answer indicates a violation or an exception (except on the "Prohibition Against Interstate Deposit Production Worksheet," where a "no" response may not indicate an exception). Violations of law or regulation and exceptions must be fully explained in the working papers.

Flood Disaster Protection Act Worksheet (12 CFR 22)

Name of Borrower					
Loan Number					
1. Bank used the "Standard Flood Hazard Determination Form" for all loans secured by improved property or a mobile home that were made, increased, extended, or renewed after 1/1/96? 12 CFR 22.6					
2. Bank does not make government-guaranteed improved property/mobile home loans that are in SFHAs if the community does not participate in the NFIP? (If it makes these loans, document the loan for referral to the appropriate government agency.) 42 USC 4106(a)					
If the property is located or is to be located in a flood hazard area:					
3. Notification furnished and meets the requirements of 12 CFR 22.9.					
If the property is located or is to be located in an SFHA in a participating community:					
4. Property has a current flood insurance policy. 12 CFR 22.3 (Force placed, if necessary. 12 CFR 22.7)					
5. Property has sufficient coverage. 12 CFR 22.3					
6. If the bank requires the escrow of taxes, insurance, etc. on the loan, flood insurance premiums are also escrowed. 12 CFR 22.5					
7. Fees charged for determining whether the property is in a flood hazard area are reasonable. 12 CFR 22.8					
8. Bank notifies the insurance carrier of the new servicer's identity if the loan is sold or transferred. 12 CFR 22.10					

Homeowners Protection Act Worksheet (12 USC 4901 et seq.)

Name of Borrower			
Account Number			
Initial Disclosures - Fixed Rate Residential Mortgages			
<p>1. Bank disclosures provide:</p> <ul style="list-style-type: none"> a. A written amortization schedule. 12 USC 4903(a)(1)(A)(i) b. Notice that the borrower may submit a written request to cancel PMI based on the initial amortization schedule or actual payments if the borrower has a good payment history and satisfies the bank's requirements regarding the value of the property and subordinate liens and indicating the date on which the borrower may request cancellation based on the initial amortization schedule. 12 USC 4903(a)(1)(A)(ii)(I) and (II) c. Notice that PMI will automatically terminate on a specific date that, based on the amortization schedule and irrespective of the outstanding balance of the mortgage, the principal balance is first scheduled to reach 78 percent of the original value of the mortgaged property if the loan is current and what that specific date is. 12 USC 4903(a)(1)(A)(ii)(III) 			

Initial Disclosures - Adjustable Rate Residential Mortgages			
<p>2. Bank disclosures provide:</p> <p>a. Notice that the borrower may submit a written request to cancel PMI based on the amortization schedule(s) or actual payments if the borrower has a good payment history and satisfies the bank's requirements regarding the value of the property and subordinate liens and that the servicer will notify the borrower when the "cancellation date" is reached. 12 USC 4903(a)(1)(B)(i)</p> <p>b. Notice that the PMI requirement will automatically terminate on a specific date that, based on the amortization schedule(s) and irrespective of the outstanding balance of the mortgage, the principal balance is first scheduled to reach 78 percent of the original value of the mortgaged property if the loan is current and that the borrower will be notified on the termination date that the PMI is terminated or will be terminated as soon as the borrower is current on payments. 12 USC 4903(a)(1)(B)(ii)</p>			
Annual Disclosures			
<p>3. If the bank acts as servicer, for loans consummated on or after July 29, 1999, the annual written statement to borrowers explains their rights to cancel or terminate PMI and includes an address and telephone number to contact the bank to determine whether they may cancel PMI. 12 USC 4903(a)(3)</p>			
<p>4. If the bank acts as servicer, the annual written statement provided to each borrower who entered into a residential mortgage loan prior to July 29, 1999, includes a statement that PMI may, under certain circumstances, be canceled by the borrower with the consent of the lender or in accordance with applicable state law and an address and telephone number that the borrower may use to contact the bank to determine whether the borrower may cancel PMI. 12 USC 4903(b)</p>			

Notification upon Cancellation or Termination			
5. If the bank acts as servicer, the bank provides borrowers with written notices within 30 days after the date of cancellation or termination of PMI that the borrower no longer has PMI and that no further PMI payments or related fees are due. 12 USC 4904(a)			
Return of Unearned Premiums			
6. If the bank acts as servicer, the bank returns all unearned PMI premiums to the borrower within 45 days of either termination or cancellation of PMI. 12 USC 4902(e)			

Fair Credit Reporting Act Worksheet (15 USC 1681)

To complete the worksheet select a sample of five accounts from recent reports to a consumer reporting agency (CRA), a sample of five accounts subject to notices received from a CRA, five adverse action notices, and five complaints involving the use of credit reports or other consumer information covered by the FCRA.

Name of Borrower/Applicant					
Account Number					
1. Does the bank provide accurate information to consumer reporting agencies (CRA)? 15 USC 1681s-2(a)(1)					
2. Does the bank correct and update information that it furnishes to a CRA that it determines to be inaccurate or incomplete? 15 USC 1681s-(a)(2)					
3. If a consumer disputes the accuracy or completeness of information provided by the bank, does the bank provide a notice of dispute to the CRA? 15 USC 1681s-2(a)(3)					
4. Does the bank notify the CRA of the voluntary closure of a consumer's credit account, and does it do so as part of the information regularly furnished for the period in which the account was closed? 15 USC 1681s-2(a)(4)					
5. When the bank provides notice to a CRA of collection or charge-off, does it report (within 90 days after such notice) the month and year that the delinquency in question began? 15 USC 1681s-2(a)(5)					
6. If a CRA notifies the bank that a consumer disputes the information, does the bank investigate the dispute within the specified time frames (generally 30 days from the date the consumer raised the dispute) and report its findings to applicable CRAs? 15 USC 1681s-2(b)					

7. When it takes adverse action (e.g., in connection with an application to open a deposit account or loan) based on information contained in a consumer report or received from a third party, does the bank provide an adequate notice of adverse action? 15 USC 1681m(a) & (b)					
8. If the bank made offers of credit or insurance not initiated by the consumer, review a sample of solicitations and verify that they included clear and conspicuous disclosures, as follows: a. Credit report information was used in connection with the transaction. 15 USC 1681m(d)(1)(A) b. The offer was made because the consumer met the criteria for creditworthiness or insurability. 15 USC 1681m(d)(1)(B) c. If applicable, the credit or insurance may not be extended if, after the consumer responded to the offer, the consumer does not meet the criteria used to select the consumer, meet any other applicable criteria bearing on creditworthiness or insurability, or furnish any required collateral. 15 USC 1681m(d)(1)(C) d. The consumer may inform the notification system to prohibit information in his or her CRA file from being used in connection with any credit or insurance transaction not initiated by the consumer. 15 USC 1681m(d)(1)(E) e. An address and telephone number for the consumer to opt out of future solicitations. 15 USC 1681m(d)(2)					
9. Using the sample in #8 above, verify that bank actually honors the terms of the offers to consumers who had met the selection criteria. 15 USC 1681a(1)					

10. Verify that the bank maintains records of prescreening criteria for three years beginning on the date the offer was made. 15 USC 1681m(d)(3)					
11. Determine whether the bank's internal controls are adequate to ensure: that it obtains consumer reports only for permissible purposes; that it complies with the special conditions applicable to investigative consumer reports and reports obtained for employment purposes; and that it does not share consumer reports or other information with affiliates or third parties in a manner that would cause it to become a consumer reporting agency? 15 USC 1681a(d)(2)(A), 1681a(f), 1681b(b), 1681b(f), 1681d.					

Truth in Lending Act (TILA; 12 CFR 226) Worksheets

Closed-end Credit Worksheet

Name of Borrower					
Loan Number					
1. Amount financed accurate. 12 CFR 226.18(b)					
2. Finance charge accurate. 12 CFR 226.18(d)					
3. APR accurate. 12 CFR 226.18(e)					
4. If variable rate, variable rate feature disclosed. 12 CFR 226.18(f)					
5. Payment schedule: amount, timing, and number of payments. 12 CFR 226.18(g)					
6. Total of payments accurate. 12 CFR 226.18(h)					
7. If the APR may increase after consummation and secured by a dwelling, maximum interest rate disclosed. 12 CFR 226.30(a)					
8. If the bank makes loans subject to section 32, verify that: a. Section 32 disclosures were made. 12 CFR 226.32(c) b. There are no impermissible balloon payments. 12 CFR 226.32(d)(1) c. There is no negative amortization. 12 CFR 226.32(d)(2) d. There are no advance payments of more than two periodic payments. 12 CFR 226.32(d)(3) e. The interest rate is not increased after default. 12 CFR 226.32(d)(4) f. There are no prepayment penalties (includes Rule of 78s refunds). 12 CFR 226.32(d)(6)					

Closed-end Adjustable Rate Mortgages Worksheet

Name of Borrower					
Loan Number					
Disclosures provided with application					
1. Bank provided early disclosures. 12 CFR 226.19(a)(1)					
2. Interest rate, payment, or term of the loan can change with respect to loans secured by the customer's principal dwelling with a term greater than one year. 12 CFR 226.19(b)(2)(i)					
3. Disclosure includes index/formula with source of information. 12 CFR 226.19(b)(2)(ii)					
4. An explanation of how the interest rate and payment will be determined. 12 CFR 226.19(b)(2)(iii)					
5. Accurate historical example or the maximum interest rate and payment for a \$10,000 loan. 12 CFR 226.19(b)(2)(viii)					
Subsequent disclosures					
6. Current and previous interest rate (verify accuracy of current rate used). 12 CFR 226.20(c)(1)					
7. Index values upon which the current and prior interest rates are based (verify accuracy of current index used). 12 CFR 226.20(c)(2)					
8. The contractual effects of the adjustment, including the new payment and loan balance. 12 CFR 226.20(c)(4)					
9. The fully amortizing payment if different from the contractual payment. 12 CFR 226.20(c)(5)					

Right of Rescission Worksheet (Closed-end Credit)

Name of Borrower					
Loan Number					
1. Two copies to each person entitled to rescind. 12 CFR226.23(b)(1)					
2. Rescission notice contains required disclosures. 12 CFR 226.23(b)(1)					
3. Funding delayed until rescission period has expired. 12 CFR 226.23(c))					

Home Equity Worksheet (Open-end Credit)

Name of Borrower					
Account Number					
Disclosures provided with application					
1. Bank provided early disclosures. 12 CFR 226.5b(b)					
2. Statement that the creditor will acquire a security interest in the consumer's dwelling and that default may result in loss of the dwelling. 12 CFR 226.5b(d)(3)					
3. Payment terms. 12 CFR 226.5b(d)(5)					
4. Annual percentage rate for fixed rate plans. 12 CFR 226.5b(d)(6)					
5. Itemization of fees. 12 CFR 226.5b(d)(7&8)					
6. APR, payment, or term may change because of variable rate features. 12 CFR 226.5b(d)(12)(i)					
7. Identification and source of the index (applies to variable rate plans). 12 CFR 226.5b(d)(12)(iii)					
8. Maximum APR for a \$10,000 outstanding balance (applies to variable rate plans). 12 CFR 226.5b(d)(12)(x)					
9. Accurate historical sample (applies to variable rate plans). 12 CFR 226.5b(d)(12)(xi)					
Initial disclosures					
10. Bank provided home equity plan information. 12 CFR 226.6(e)					
Limitations on home equity plans					
11. Termination of accounts appropriate. 12 CFR 226.5b(f)(2)					
12. Change in terms appropriate. 12 CFR 226.5b(f)(3)					

Right of Rescission Worksheet (Open-end Credit)

Name of Borrower					
Account Number					
1. Two copies to each person entitled to rescind. 12 CFR 226.15(b)					
2. Rescission notice contains the required disclosures. 12 CFR 226.15(b)					
3. Funding delayed until rescission period has expired. 12 CFR 226.15(c)					

Credit Cards Worksheet

Name of Borrower					
Account Number					
1. The annual percentage rate for purchases. 12 CFR 226.5a(b)(1)					
2. Fee for issuance or availability of card. 12 CFR 226.5a(b)(2)					
3. Minimum finance charge. 12 CFR 226.5a(b)(3)					
4. Transaction fees imposed for the use of the card for purchases. 12 CFR 226.5a(b)(4)					
5. Grace period. 12 CFR 226.5a(b)(5)					
6. Amount of cash advance fees. 12 CFR 226.5a(b)(8)					
7. Late payment fee. 12 CFR 226.5a(b)(9)					
8. Fees for exceeding credit limit. 12 CFR 226.5a(b)(10)					

Special Credit Card Provisions and Billing Error Resolution Worksheet

Name of Borrower					
Account Number					
1. Liability for unauthorized use of credit cards is \$50 or less. 12 CFR 226.12(b)(1)					
2. Claims and defenses adverse credit reports prohibited. 12 CFR 226.12(c)(2)					
3. Offsets for credit card debt prohibited. 12 CFR 226.12(d)					
4. Billing errors resolved within two complete billing cycles (in no event more than 90 days). 12 CFR 226.13(c)(2)					
5. Until the billing error is resolved, bank cannot: a. Collect the disputed amount. b. Report account delinquent. c. Make, or threaten to make, an adverse credit report. 12 CFR 226.13(d)(1) & (2).					
6. Bank forfeits up to \$50 if it doesn't follow billing error resolution procedures. 15 USC 1666(e)					

Advertising Worksheet (including any advertisements on the Web site)

1. Review advertising copy for open-end and closed-end credit from the past 12 months to determine whether: a. The rate of finance charge on consumer loans, if advertised, is stated as an "annual percentage rate." 12 CFR 226.24(b) b. Required Regulation Z disclosures are made when triggering terms are used. 12 CFR 226.16(b) and (d); 226.24(c)					
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Real Estate Settlement Procedures Act Worksheet (24 CFR 3500)

Name of Borrower					
Loan Number					
Good Faith Estimate					
1. Good faith estimate reasonable, complete, and timely. 24 CFR 3500.7(a) and (c)					
2. Required providers disclosed. 24 CFR 3500.7(e)(1)(i)					
3. Name, address, and phone number of required providers disclosed. 24 CFR 3500.7(e)(1)(ii)					
4. Statement describing the nature of any relationship between required providers and the bank. 24 CFR 3500.7(e)(1)(iii)					
Settlement Statements					
5. HUD-1 charges itemized and accurate. 24 CFR 3500.8(b)					
Transfer/sale/assignment					
6. Servicing disclosure statement is accurate and acknowledged by customer. 24 CFR 3500.21(b) & (c)					
7. If transferee servicer, notified borrower not more than 15 days after date of transfer; if transferor servicer, notified borrower not less than 15 days before date of transfer. 24 CFR 3500.21(d)(2)(i)					
8. No late fees imposed and no payments treated as late within 60 days of transfer if timely payment is received by transferor servicer. 24 CFR 3500.21(d)(5)					
9. If investigating inquiry, does not report adverse information to consumer reporting agency for 60 days. 24 CFR 3500.21(e)(4)(i)					

Escrow accounts 24 CFR 3500.17					
10. Bank establishes escrow accounts:					
<ul style="list-style-type: none"> a. Bank provides initial statement at closing or not later than 45 days after settlement. 24 CFR 3500.17(g)(1) b. Initial statement is accurate. 24 CFR 3500.17(c)(1) c. Initial statement includes monthly mortgage and escrow payments, itemizes estimated taxes, insurance premiums, anticipated disbursement dates, and other charges to be paid in year after account is established, indicates the cushion amount and a running trial balance. 24 CFR 3500.17(g)(1)(i) d. Bank provides annual statement not less than once each 12-month period and not more than 30 days after end of each 12-month period. 24 CFR 3500.17(i) 					

<p>11. Annual statement includes: 24 CFR 3500.17(i)(1)</p> <p>a. Amount of current monthly mortgage and escrow payments.</p> <p>b. Amount of past year's monthly mortgage and escrow payments.</p> <p>c. Total amount paid into escrow during past year.</p> <p>d. Total amount paid out of escrow during past year for taxes, insurance, and other charges (separately identified).</p> <p>e. Balance in escrow at end of period.</p> <p>f. Explanation of how any surplus is being handled.</p> <p>g. Explanation of how any shortage or deficiency is to be paid by borrower.</p> <p>h. Explanation of why estimated low monthly balance wasn't reached, if applicable.</p>					
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Expedited Funds Availability Act Worksheet (Regulation CC 12 CFR 229)

	YES	NO
Operations		
Date of Deposit 12 CFR 229.19		
1. Does the bank consider deposits made on a nonbanking day to have been received no later than the next banking day? 12 CFR 229.19(a)(5)(i)		
2. Does the bank have a cutoff hour for receipt of deposits of 2 p.m. or later for bank offices and 12 noon or later for ATMs? 12 CFR 229.19(a)(5)(ii)		
3. Does the bank comply with the following rules in determining when funds have been deposited: <ul style="list-style-type: none"> a. For deposits over the counter or at ATMs, when "received"? 12 CFR 229.19(a)(1) b. For mail deposits, when received by the bank? 12 CFR 229.19(a)(2) c. For deposits in a night depository, lock box, or similar facility, when they are removed from the facility and are available for processing? 12 CFR 229.19(a)(3) d. For deposits at an off-premises ATM (farther than 50 feet of the bank), which is not serviced more than twice a week, when they are removed from the ATM by the bank? 12 CFR 229.19(a)(4) 		
4. When funds must be available on a given business day, does the bank make them available at the later of 9 a.m. or at the time the bank's teller facilities (including ATMs) are available for account withdrawals? 12 CFR 229.19(b)		
General Availability Rules 12 CFR 229.10 and .12		
5. Does the bank make funds from the deposits specified under 12 CFR 229.10(a), (b), and (c) available for withdrawal no later than the first business day following the date of deposit (or date of receipt for electronic payments), if the deposit is made in person to a bank employee, or no later than the second business day if the deposit (as described in 12 CFR 229.10(a)(2) and (c)(2)) is not made in person to a bank employee?		
6. If the bank requires the special deposit slips to make funds available in accordance with 229.10, does the bank: <ul style="list-style-type: none"> a. Provide the slip to its customers, or b. Inform its customers how to prepare or obtain the slips and c. Make them reasonably available? 12 CFR 229.10(c)(3)(ii) 		

	YES	NO
7. Are funds from local checks generally available no later than the second business day after the day of deposit? 12 CFR 229.12(b)(1)		
8. Are funds from nonlocal checks generally available no later than the fifth business day after the day of deposit? 12 CFR 229.12(c)(1) NOTE: There is an exception for banks located in certain check-processing territories (see appendix B of 12 CFR 229).		
9. Is the lesser of \$100 or a customer's daily aggregate deposits by check that are not subject to the next-day availability rules available on the next business day? 12 CFR 229.10(c)(1)(vii)		
10. If the bank extends funds availability by one day (12 CFR 229.12(d)), does it make \$400 available for cash withdrawal before 5 p.m. on the appropriate business day (second day for local checks; fifth for nonlocal checks and deposits at a nonproprietary ATM)? 12 CFR 229.12(d) NOTE: This \$400 is in addition to the first \$100 of a day's deposits available under 12 CFR 229.10(c)(1)(vii).		
11. For deposits made at a nonproprietary ATM, does the bank make funds available for withdrawal no later than the fifth business day after the day of deposit? 12 CFR 229.12(f)		
Exceptions to the General Availability Rules 12 CFR 229.13		
12. When delaying availability by invoking an exception, does the bank refrain from delaying funds availability beyond a reasonable time? 12 CFR 229.13(h)(1) NOTE: An extension of one business day for next-day availability items, five business days for local checks, and six business days for nonlocal checks is considered reasonable. 12 CFR 229.13(h)4.		
Large Deposits (12 CFR 229.13(b)) (If violations are found, applicable sections of 229.10 or 229.12 should be cited, not 229.13)		
13. If the bank invokes the large deposit exception, is the hold placed only on that portion of local and nonlocal check deposits that exceeds \$5,000 on any one banking day?		
Redeposited Checks (12 CFR 229.13(c)) (If violations are found, applicable sections of 229.10 or 229.12 should be cited, not 229.13)		
14. Does the bank refrain from applying the redeposited exception to: a. Checks returned because of a missing endorsement and subsequently endorsed and redeposited? 12 CFR 229.13(c)(1) b. Checks returned because they were postdated, but that are not postdated when redeposited? (12 CFR 229.13(c)(2)		

	YES	NO
Repeated Overdraft Exception (12 CFR 229.13(d) (If violations are found, applicable sections of 229.10 or 229.12 should be cited, not 229.13)		
15. Does the bank invoke the repeated overdraft exception only when the account balance is negative (or would have been negative had checks or other charges been paid):		
a. Six or more times during the preceding six months? (12 CFR 229.13(d)(1))		
b. Two or more times during the preceding six months, if the amount of any negative balance would have been \$5,000 or more? 12 CFR 229.13(d)(2)		
Reasonable Cause to Doubt Collectibility 12 CFR 229.13(e) and (g)		
16. Does the bank retain for a period of two years copies of each reasonable cause exception notice along with a brief statement of the facts that led to the hold? Commentary to 12 CFR 229.13(g)(5)		
17. When extending the availability period, does the bank assess overdraft or returned check fees only under permissible circumstances and with appropriate disclosures? 12 CFR 229.13(e)(2)		
18. Does the bank use this exception only when there is a well-grounded belief that a check is uncollectible (not because the check is of a particular class or is deposited by a particular class of persons)? 12 CFR 229.13(e)(1) (If violations are found, applicable sections of 229.10 or 229.12 should be cited, not 229.13)		
New Accounts 12 CFR 229.13(a) (If violations are found, applicable sections of 229.10 or 229.12 should be cited, not 229.13)		
19. Are cash deposits made in person and electronic payments to new accounts available for withdrawal on the first business day following the day of the deposit or receipt? 12 CFR 229.13(a)(1)(i)		
20. Does the bank's definition of a new account comply with the definition under section 12 CFR 229.13(a)(2)? NOTE: If a customer has had another transaction account at the bank within 30 calendar days before opening an account, the customer does not qualify for the "new account" exception. 12 CFR 229.13(a)(2)		
21. Is the first \$5,000 of funds deposited on any one banking day available for withdrawal from a new account no later than the first business day following the day of the deposit, if the deposits meet the requirements of section 12 CFR 229.10(c)(1)(i)-(v), and two days following the day of deposit for deposits described in section 12 CFR 229.10(c)(2)? 12 CFR 229.13(a)(1)(ii)		
22. Is the amount of the deposit described above that exceeds \$5,000 available for withdrawal no later than the ninth business day following the day of the deposit? 12 CFR 229.13(a)(1)(ii)		

	YES	NO
Disclosure Requirements (12 CFR 229.16, 229.17 and 229.18)		
General Disclosures		
23. Does the bank's specific availability policy reflect the availability practices followed by the bank and contain the required disclosures? 12 CFR 229.16(a) and (b)		
24. Does the bank provide the potential customer with applicable availability disclosures <i>prior</i> to accepting funds to open a new transaction account? 12 CFR 229.17(a)		
25. Does the bank provide a notice stating that funds deposited may not be available for immediate withdrawal on preprinted deposit slips? 12 CFR 229.18(a)		
26. Does the bank display a notice of its availability policy conspicuously at locations where employees receive consumer deposits? 12 CFR 229.18(b) NOTE: Drive-up windows, night depositories, and locations where deposits are not taken do not require the notice.		
27. Does the bank place a notice stating that funds may not be available for immediate withdrawal at each ATM location where deposits can be made? 12 CFR 229.18(c)(1)		
28. Does the bank notify customers at least 30 days before implementing any changes in availability policy that would result in longer delays of funds deposited? 12 CFR 229.18(e)		
Disclosures when bank delays availability case by case 12 CFR 229.16(c) (such disclosures are required when a bank has a policy of making deposited funds available for withdrawal sooner than required by the regulation)		
29. Does the bank's specific availability policy indicate that case-by-case holds may be placed? 12 CFR 229.16(c)(1) If yes, does the disclosure include the required information? 12 CFR 229.16(c)(1)(i)-(iii)		
30. When extending availability case by case, does the bank provide the customer with a written notice of the hold? 12 CFR 229.16(c)(2)(i) If yes, a. Does the notice include the required information? 12 CFR 229.16(c)(2)(i)(A-D) b. Is the notice provided at the time of the deposit, when an employee of the bank receives it in person? 12 CFR 229.16(c)(2)(ii) c. If the notice is not provided at the time of deposit, is it mailed on or before the first business day after the day of deposit? 12 CFR 229.16(c)(2)(ii) d. Is the notice delivered electronically only when customers agree to such delivery method? Commentary 12 CFR 229.15(a)		

	YES	NO
31. When extending the availability period, does the bank assess overdraft or returned-check fees only under permissible circumstances and with appropriate disclosures? 12 CFR 229.16(c)(3)		
Disclosures for Exceptions (Large Deposits, Redeposited Checks, Repeated Overdrafts, and Reasonable Cause) 12 CFR 229.13(g)		
32. When invoking an exception hold for other than new accounts, does the bank provide the customer with a written notice? 12 CFR 229.13(g)(1)		
<p>a. Does the notice include the required information?: 12 CFR 229.13(g)(1)(i)(A-E)</p> <p>b. Is the notice provided at the time of the deposit when an employee of the bank receives it in person or is it mailed on or before the first business day after the day the bank learns of the facts giving rise to the exception? 12 CFR 229.13(g)(1)(ii)</p> <p>c. Is the notice delivered electronically only when customers agree to such delivery method? Commentary to 12 CFR 229.15(a)</p> <p>NOTE: One-time notices may be used instead of individual hold notices in certain circumstances. 12 CFR 229.13(g)(2) and (g)(3)</p>		
Miscellaneous		
33. For each interest-bearing transaction account offered by the bank (e.g., NOW accounts, ATS accounts), does the bank begin to accrue interest on the funds deposited no later than the business day on which the bank receives provisional credit for the funds? 12 CFR 229.14		
34. Has the bank established procedures to ensure compliance with 12 CFR 229, and provided applicable employees with training and procedures? 12 CFR 229.19(f)		

Credit Practices Rule Worksheet (12 CFR 227)

	YES	NO
<p>1. Does the bank refrain from including the following provisions from its consumer credit contracts:</p> <p>a. Confession of judgment? 12 CFR 227.13(a)</p> <p>b. Waiver of statutory property exemption (unless the waiver applies solely to the property that will serve as security for the loan)? 12 CFR 227.13(b)</p> <p>c. Assignment of wages or other earnings (except where permitted)? 12 CFR 227.13(c)</p> <p>d. Blanket security interest in household goods? 12 CFR 227.13(d)</p>		
<p>2. If the bank acquires loans originated by other creditors, does it refrain from enforcing any of the following prohibited practices:</p> <p>a. Confession of judgment? 12 CFR 227.13(a)</p> <p>b. Waiver of statutory property exemption (unless the waiver applies solely to the property that will serve as security for the loan)? 12 CFR 227.13(b)</p> <p>c. Assignment of wages or other earnings (except where permitted)? 12 CFR 227.13(c)</p> <p>d. Blanket security interest in household goods? 12 CFR 227.13(d)</p>		
<p>3. Does the bank provide co-signer disclosures? 12 CFR 227.14(b)</p>		
<p>4. Does the bank refrain from levying or collecting delinquency charges on delinquencies attributable only to other delinquency charges and late fees charged earlier? 12 CFR 227.15(a)</p>		

Branch Closing Requirements Worksheet (12 USC 1831r-1)

	YES	NO
<p>1. Does the bank have any branches, as defined in the "Joint Policy Statement on Branch Closing" that would make it subject to the policy statement and section 42 of the FDI Act (12 USC 1831r-1)? (See the "Other Consumer Protection Laws and Regulations" booklet.) If so, complete steps 2 and 3.</p> <p>OR</p> <p>Has the bank closed any of its branches since December 19, 1991, or the last examination, whichever is later, that would subject it to the notification requirements of the policy statement and section 42 of the FDI Act?</p> <p>If so, complete steps 2-9.</p> <p>Note: If the answer to both of these questions is NO, do not proceed with the remainder of this Worksheet.</p>		
2. Has the bank adopted a written branch closing policy? 12 USC 1831r-1(c)		
<p>3. Does the written branch closing policy prescribe (interagency policy statement) how to:</p> <p>a. Determine which branch to close?</p> <p>b. Determine which customers to notify?</p> <p>c. Provide the required notices?</p>		
4. Has the bank provided written notice of any branch closing to the OCC at least 90 days in advance of such closing? 12 USC 1831r-1(a)(1)		
<p>5. Did the notice to the OCC contain:</p> <p>a. The identification of the branch to be closed? (interagency policy statement)</p> <p>b. The proposed closing date? (interagency policy statement)</p> <p>c. The specific reasons for closing the branch? 12 USC 1831r-1(a)(2)(A)</p> <p>d. Statistical or other information in support of the reasons and consistent with the bank's written policy for closing the branch? 12 USC 1831r-1(a)(2)(B)</p>		

	YES	NO
6. Did the bank, in a regular account statement or separate mailing, provide written notice to customers of the branch to be closed at least 90 days before the closing? 12 USC 1831r-1(b)(2)(B)		
7. Did the mailed customer notice contain: <ul style="list-style-type: none"> a. The location of the branch to be closed? (interagency policy statement) b. The proposed closing date? (interagency policy statement) c. A listing of alternative banking locations or a phone number to obtain banking service information for possible alternatives? (interagency policy statement) 		
8. Did the bank conspicuously display a notice to customers on the premises of the branch to be closed at least 30 days before the closing? 12 USC 1831r-1(b)(2)(A)		
9. Did the notice that was posted on the bank premises contain: <ul style="list-style-type: none"> a. The proposed closing date? (interagency policy statement) b. A listing of alternative banking locations or a phone number to obtain banking service information for possible alternatives? (interagency policy statement) 		

Consumer Leasing Act Worksheet (12 CFR 213)

Name of Lessee					
Lease Number					
1. Property description. 12 CFR 213.4(a)					
2. Amount due at lease signing. 12 CFR 213.4(b)					
3. Payment schedule and total of periodic payments. 12 CFR 213.4(c)					
4. Total of other charges. 12 CFR 213.4(d)					
5. Total of payments. 12 CFR 213.4(e)					
6. For motor vehicle leases, payment calculation. 12 CFR 213.4(f)(1-11)					
7. Early termination. 12 CFR 213.4(g)					
8. Maintenance responsibilities. 12 CFR 213.4(h)					
9. Purchase option. 12 CFR 213.4(i)					
10. Statement referencing nonsegregated disclosures. 12 CFR 213.4(j)					
11. Liability for difference between residual and realized values. 12 CFR 213.4(k)					
12. Right of appraisal. 12 CFR 213.4(l)					
13. Liability at end of lease term based on residual value. 12 CFR 213.4(m)					
14. Fees and taxes. 12 CFR 213.4(n)					
15. Insurance identification. 12 CFR 213.4(o)					
16. Warranties and guarantees. 12 CFR 213.4(p)					
17. Penalties and other charges for delinquency. 12 CFR 213.4(q)					
18. Security interest. 12 CFR 213.4(r)					
19. Limitations on rate information if applicable. 12 CFR 213.4(s)					

Fair Debt Collection Practices Act Worksheet (15 USC 1692)

	YES	NO
If the bank has acted or is acting as a debt collector under the FDCPA, determine whether it has:		
1. Refrained from communicating with the consumer or third parties in any prohibited manner. 15 USC 1692c		
2. Furnished the written validation notice within the required time period and otherwise complied with applicable validation requirements. 15 USC 1692g		
3. Refrained from using any harassing, abusive, false, misleading, unfair, or deceptive collection practice prohibited by the FDCPA. 15 USC 1692d, e, f, and j		
4. Applied all payments received as instructed and, when no instruction was given, applied payments only to undisputed debts. 15 USC 1692h		
5. Filed suit in an authorized forum if the bank sued to collect the debt. 15 USC 1692i		

Other Explicit Illegal Limitations on Credit Worksheet (12 CFR 202)

These are substantive violations for which the OCC may seek relief for individuals whose credit rights were impaired. If using the benchmark or loan terms approaches, review the worksheet before comparative file review. If any violations are observed as file review proceeds, note them on the worksheet. If using the alternative approach, complete the worksheet for each of the 10 applications sampled.

Apparent violation (if No)	Yes	No	Comments
1. Does the bank permit holders of open-end accounts to retain the accounts despite changes in the account-holders' age, retirement, or changing name or marital status? 12 CFR 202.7(c)(1)			
2. Is the age of an applicant 62 or older considered only to favor him or her? 12 CFR 202.6(b)(2)(iv)			
3. When evaluating the applicant's creditworthiness, does the bank ignore aggregate statistics or assumptions relative to the likelihood of bearing or rearing children? 12 CFR 202.6(b)(3)			
4. Does the bank count (and not discount or exclude) all income including that derived from part-time employment or a retirement benefit (other than to determine the amount & probable continuance of the income)? 12 CFR 202.6(b)(5)			
5. Does the bank consider income from alimony, child support, or separate maintenance payments when it is likely to be consistently received? 12 CFR 202.6(b)(5)			
6. Does the bank grant loans in birth given names or combinations of birth given and married names, if requested? 12 CFR 202.7(b)			

<p>7. To the extent the bank considers an applicant's credit history, does it consider:</p> <p>a. The credit history, when available, of accounts designated as accounts that the applicant and the applicant's spouse are permitted to use or for which both are contractually liable? 12 CFR 202.6(b)(6)(i)</p> <p>b. At the applicant's request, information from the applicant indicating that past credit performance does not accurately reflect the applicant's creditworthiness? 12 CFR 202.6(b)(6)(ii)</p> <p>c. At the applicant's request, any credit information in the name of the applicant's spouse or former spouse that demonstrates the applicant's creditworthiness? 12 CFR 202.6(b)(6)(iii)</p>			
<p>8. If jointly owned property is relied on to satisfy the standards of creditworthiness or to secure the loan, are nonapplicant joint owners required to sign only instruments related to collateral? 12 CFR 202.7(d)(1-4)</p>			
<p>9. Is an applicant who qualifies individually allowed to obtain credit without the spouse's signature, or if an additional party is needed, request a person other than the spouse to be a cosigner? 12 CFR 202.7(d)(5)</p>			
<p>10. Does the bank grant credit even if credit life, health, accident, or disability insurance is not available because of the applicant's age? 12 CFR 202.7(e)</p>			

Technical and Procedural Compliance Worksheet (12 CFR 202)

Review five approved and five denied consumer, business, and residential real estate loan application file against this worksheet. If applicable, include transactions conducted electronically (i.e., home banking/Internet transactions) in the sample. Note any violations. If there is a comparative file review, determine if there are similar violations. (Note: A more extensive worksheet of technical and procedural requirements is included in the *Comptroller's Handbook for Compliance* booklet "Fair Lending.") Citations are to Regulation B, 12 CFR 202.1 et seq., and 12 CFR 27.

Apparent violation (if No)	YES	NO	Comments
1. Do files for home purchase and refinance loans show the bank requested the following monitoring information? 12 CFR 202.13(a): a. Race/national origin, using the categories American Indian or Alaskan Native; Asian or Pacific Islander; Black; White; Hispanic; Other (specify)? b. Marital status, using the categories married, unmarried, and separated? c. Age? d. Sex?			
2. Does the bank, to the extent possible on the basis of sight or surname, designate the race, national origin, and sex of each applicant? 12 CFR 202.13(b)			

<p>3. Do application forms or guidance limit information requests about a spouse or former spouse to transactions in which:</p> <ul style="list-style-type: none"> a. That person will be permitted to use the account, b. That person will be contractually liable, or c. The applicant is relying on community property, the spouse's income, alimony, child support, or separate maintenance payments to repay the debt? 12 CFR 202.5(c) 			
<p>4. Does the bank furnish joint account information to consumer reporting agencies in a manner that provides access to such information in the name of each spouse? 12 CFR 202.10(b)</p>			
<p>5. When the bank responds to an inquiry for credit information regarding a particular applicant, is the information furnished under the applicant's own name? 12 CFR 202.10(c)</p>			
<p>6. Do application files show that the bank notified noncommercial applicants in writing of:</p> <ul style="list-style-type: none"> a. Action taken (within 30 days of receipt of a completed application)? 12 CFR 202.9(a)(1)(i) b. Adverse action either because of incompleteness or of missing information that must be provided within a designated reasonable period for the application to be considered (within 30 days of receipt of the application)? 12 CFR 202.9(a)(1)(ii) and (c)(2) c. Adverse action (within 90 days after notifying the applicant of a counteroffer), if the applicant has not accepted the counteroffer (unless the notice of adverse action on the credit terms sought accompanied the counteroffer)? 12 CFR 202.9(a)(1)(iv) 			

<p>7. Do adverse action notices in denied files contain:</p> <ul style="list-style-type: none"> a. A statement of action taken? 12 CFR 202.9(a)(2) b. A statement substantially similar to that contained in 12 CFR 202.9(b)(1)? c. A statement of specific reasons for the action taken or disclosure of the applicant's right to such a statement? 12 CFR 202.9(a)(2)(i) and (ii) d. For businesses with revenues of \$1 million or less, that were not given the reasons orally or in writing when adverse action was taken, written disclosure at the time of adverse action or at the time of application of the right to a statement of reasons? 12 CFR 202.9(a)(3)(i)(B) 			
<p>8. Do application files retain, for 25 months after notice of action taken or notice of incompleteness 12 CFR 202.12(b), the following (as applicable):</p> <ul style="list-style-type: none"> a. The application and all supporting material? b. All information obtained for monitoring purposes? c. The notification of action taken? d. A statement of specific reasons for adverse action? e. Any written statement submitted by the applicant alleging a violation of ECOA or Regulation B? 			

**Prohibition Against Interstate Deposit Production Worksheet
(12 CFR 25, Subpart E)**

	YES	NO
Identify Branches Subject to Section 109 Evaluation		
1. Does the bank have any covered interstate branches established pursuant to the Riegle-Neal Interstate Banking and Branching Efficiency Act of 1994? Note: If the answer is No, no further review is necessary.		
2. Have any of the bank's covered interstate branches been in existence for more than one year? Note: If the answer is No, no further review is necessary.		
Assess Compliance with the Loan-to-Deposit (LTD) Ratio Screen		
3. Does the bank have sufficient data to calculate its statewide LTD ratio(s) in each state in which the bank has branches subject to section 109? Note: For each state where the answer is No, proceed to #5.		
4. For each state in which the bank has a covered interstate branch, calculate the bank's statewide LTD ratio. Is the statewide LTD ratio equal to or greater than one-half of the host state LTD ratio? Note: For each state where the answer is Yes, the bank complies with section 109 and no further review is necessary. For each state where the answer is No, proceed to #5.		

	YES	NO
Perform Credit Needs Determination		
<p>5. For each state identified in #3 or #4, is the bank reasonably helping to meet the credit needs of the communities served by the bank in the host state? When making the determination, the examiner must consider the following items:</p> <ul style="list-style-type: none"> a. Whether the covered interstate branches were formerly part of a failed or failing depository institution; b. Whether the covered interstate branches were acquired under circumstances where there was a low LTD ratio because of the nature of the acquired institution's business or loan portfolio; c. Whether the covered interstate branches have a higher concentration of commercial or credit card lending, trust services, or other specialized activities, including the extent to which the covered interstate branches accept deposits in the host state; d. The most recent ratings (overall rating, multistate MSA rating, and state ratings) received by the bank under the CRA; e. Economic conditions, including the level of loan demand, within the communities served by the covered interstate branches; f. The safe and sound operation and condition of the bank; and g. The CRA regulations and interpretations of the regulation. <p>Note: If the bank passes the credit needs determination test, the bank complies with section 109 and no further review is necessary. If the bank fails the credit needs determination test and has failed the LTD ratio screen, go to #7. If the bank fails the credit needs determination test but the LTD ratio screen has not yet been conducted, go to #6.</p>		
Determine If Sanctions Are Warranted		
<p>6. Calculate the statewide LTD ratio for banks that fail the credit needs determination test. Is this ratio equal to or greater than one-half of the host state LTD ratio?</p> <p>Note: If the answer is Yes, the bank complies with section 109 and no further review is necessary. If the answer is No, the bank is in noncompliance with section 109 (go to #7).</p>		
<p>7. After consultation with agency management, determine whether sanctions are warranted.</p>		

Small Bank Ratings Matrix

Characteristic	Outstanding	Satisfactory	Needs to Improve	Substantial Noncompliance
Loan-to-deposit ratio	The loan-to-deposit ratio is more than reasonable (considering seasonal variations and taking into account lending-related activities) given the bank's size, financial condition, and assessment area credit needs.	The loan-to-deposit ratio is reasonable (considering seasonal variations and taking into account lending-related activities) given the bank's size, financial condition, and assessment area credit needs.	The loan-to-deposit ratio is less than reasonable (considering seasonal variations and taking into account lending-related activities) given the bank's size, financial condition, and assessment area credit needs.	The loan-to-deposit ratio is unreasonable (considering seasonal variations and taking into account lending-related activities) given the bank's size, financial condition, and assessment area credit needs.
Assessment area concentration	A substantial majority of loans and other lending-related activities are in the bank's assessment areas.	A majority of loans and other lending-related activities are in the bank's assessment areas.	A majority of loans and other lending-related activities are outside the bank's assessment areas.	A substantial majority of loans and other lending-related activities are outside the bank's assessment areas.
Geographic distribution of loans	The geographic distribution of loans reflects excellent dispersion throughout the assessment areas.	The geographic distribution of loans reflects reasonable dispersion throughout the assessment areas.	The geographic distribution of loans reflects poor dispersion throughout the assessment areas.	The geographic distribution of loans reflects very poor dispersion throughout the assessment areas.
Borrower's profile	The distribution of loans reflects, given the demographics of the assessment areas, excellent penetration among individuals of different income levels (including low- and moderate-income) and businesses of different sizes.	The distribution of loans reflects, given the demographics of the assessment areas, reasonable penetration among individuals of different income levels (including low- and moderate-income) and businesses of different sizes.	The distribution of loans reflects, given the demographics of the assessment areas, poor penetration among individuals of different income levels (including low- and moderate-income) and businesses of different sizes.	The distribution of loans reflects, given the demographics of the assessment areas, very poor penetration among individuals of different income levels (including low- and moderate-income) and businesses of different sizes.
Response to substantiated complaints	The bank has taken noteworthy, creative action in response to substantiated complaints about its performance in meeting assessment area credit needs.	The bank has taken appropriate action in response to substantiated complaints about its performance in meeting assessment area credit needs.	The bank has taken inadequate action in response to substantiated complaints about its performance in meeting assessment area credit needs.	The bank is unresponsive to substantiated complaints about its performance in meeting assessment area credit needs.
Investments	The bank's investment record enhances credit availability in its assessment area, including low- and moderate-income areas.	Lending-related qualified investments are considered above as appropriate.	Lending-related qualified investments are considered above as appropriate.	Lending-related qualified investments are considered above as appropriate.
Services	The bank's record of providing branches, ATMs, loan production offices, delivery systems, and other services enhances credit availability in its assessment areas, including low- and moderate-income areas.	Lending-related services are considered above as appropriate.	Lending-related services are considered above as appropriate.	Lending-related services are considered above as appropriate.

Guidance on Preparing Small Bank CRA Public Performance Evaluations

The following pages contain guidance on how to prepare CRA public performance evaluations (PE). A CRA public evaluation is for the public. Consequently, anyone reading the evaluation should be able to understand why the bank received the rating it did. To support ratings, examiners must state their conclusions and discuss facts and data supporting such conclusions.

If the PE shows that the bank's performance fails to meet the standards for a "satisfactory" rating, a rating of "needs to improve" or "substantial noncompliance" may be warranted depending on the degree to which its performance failed to meet the standards for a "satisfactory" rating. Conversely, if the PE clearly shows that the bank's performance exceeds some or all the standards for a "satisfactory" rating or its lending performance is augmented by qualified investments and a strong community development or retail service record that enhances credit availability in its assessment areas, an "outstanding" rating may be warranted.

The examiner should ensure that narrative comments for each criterion include a conclusion.

Sample Performance Evaluation*



Small Bank

Comptroller of the Currency
Administrator of National Banks

Public Disclosure

(Date of Evaluation)**

Community Reinvestment Act Performance Evaluation

Name of Depository Institution
Institution's Identification Number

Mailing Address of Institution

Name of Supervisory Agency
Address of Supervisory Office

Note: This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate- income neighborhoods consistent with safe and sound operation of the institution. This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

* This is a sample created for an institution operating in one assessment area and in one state. It should be adjusted, as appropriate, to reflect the institution's operations. Refer to the "Instructions for Writing Public Evaluations" section of the CRA booklet for further guidance.

** Use the examination start date reported in the type 04 analysis that supports the CRA rating.

General Information

Institution's CRA Rating: This institution is rated _____.

Write a summary citing the major factors supporting the institution's rating. When illegal discrimination or discouragement has been identified, the conclusion should state whether the rating was influenced by violations of the substantive provisions of the antidiscrimination laws. The conclusion should not mention any technical violations of the antidiscrimination laws.

Note: Factors supporting the bank's rating should be briefly summarized in bullet format. The summary should highlight only the primary reasons for the rating. It is not necessary to address all five performance criteria in the summary.

Bank's full name should be used.

Date shown must match the cover page (exam start date).

Avoid using technical jargon or acronyms (e.g., M for thousand, BPR, etc.)

In assigning an "outstanding" rating:

- The bank's performance meets each of the standards for a "satisfactory" rating and materially exceed the standard for a "satisfactory" rating in some or all of the five criteria that a rating of "outstanding" is warranted.

OR

- The bank's performance under the five performance criteria must generally exceed the standard for "satisfactory" performance in some or all of the five criteria and the bank's performance in making qualified investments and providing branches and other services and delivery systems in the assessment area (AA) must supplement its performance sufficiently to warrant an "outstanding" rating.

The criteria that are most important in determining the institution's overall rating are "Lending to Borrowers of Different Incomes and to Businesses of Different Sizes" and "Geographic Distribution of Loans."

Description of Institution

Write a brief description of the institution. The purpose is to provide the public with background information about the bank being evaluated. Include basic information about the bank. More specific information should be shown if the writer is trying to make a specific point, e.g., the focus is on business lending. Include relevant information such as:

- Name of the bank (provide the abbreviation that will be used throughout the PE in parentheses immediately following the name) and the city and state in which the bank is headquartered.
- Asset size in millions/billions, e.g., \$240 million NOT \$240MM.
- A statement as to whether the bank is an intrastate or interstate bank, the number of branches and the states and markets in which the bank operates.
- Whether the bank is a subsidiary of a holding company. If so, include the location of the holding company, approximate size and scope of operations.
- Any affiliates (including operating subsidiaries of the bank) for which the bank wants consideration of their activities when evaluating its performance.
- Bank subsidiary activities and their impact on the bank's capacity for community reinvestment (OCC 97-26).
- Merger and acquisition activity that affected the scope of the bank's operations during the evaluation period.
- Basic financial information relevant to your conclusions that provides insight into the bank's business strategy. Examples include:
 - The percentage of total assets represented by net loans.
 - The percentage of foreign deposits and its impact on the evaluation of the bank's performance, if material.

- A general breakdown of the loan portfolio in narrative format, e.g., the dollar amount of real estate, commercial and consumer loans by percentage; and
- Tier 1 capital.
- A summary of the bank's business strategy/primary focus and product offerings.
- A statement regarding the existence or absence of any legal, financial, or other factors impeding the bank's ability to help meet the credit needs in its assessment area (AA).
- The date of the last CRA examination.
- Any other relevant information.

Note: The order of presentation of the information is not mandatory.

Description of (Name of Assessment Area)

Briefly describe the assessment areas under review by providing appropriate information (and any trends) on the population, median income, and employment including major employers. Include community credit needs and business opportunities identified through outreach activities. Include a discussion of the number and kinds of CRA-related community contacts that were consulted and relevant information obtained and used, if any, in the CRA evaluation. Consider including:

- Information concerning economic conditions in the area such as available employment and general business activity. Include unemployment data available from the OCCnet.
- A statement that the assessment area (AA) is legal. For example, "The AA meets the requirements of the regulation." Conversely, if the AA is not legal, state that it is not and briefly describe why. For example, "The AA arbitrarily excluded low-income or moderate-income geographies and did not include whole geographies."
- If the AA is not legal, state what was done to correct the AA. For example, "The AA was adjusted to include the geographies around all the bank's branches that originally were not included."

- If the AA is an entire MSA or non-MSA county, state that fact. If the AA is less than a whole MSA or geopolitical subdivision, explain why it was adjusted by the bank.
- Include the median family income for the AA from the most recent decennial U.S. Census. (The figure is used to determine the income level of the geographies.)
- Identify the income characteristics of the AA. Include information on the number and percentage of geographies (CTs or BNAs) that are low-, moderate-, middle-, and upper-income. Include a statement indicating that the AA does not contain a particular income geography, if applicable (e.g., "There are no low-income census tracts in the assessment area.").
- Include the HUD updated median family income for the most recent year. (The figure is used to determine the income level of the borrower.)
- Include characteristics of the AA population by income level. Identify the number and percent of low-, moderate-, middle-, and upper-income families within the assessment area, using current year area median family income.
- Include information on the ethnic or racial makeup of the assessment area only if it is relevant to the examination findings (e.g., when there are gaps in lending in areas with a high minority population).
- Provide information describing the number, size, and types of financial institutions in the AA.
- Discuss contacts with community organizations and others and what was learned about the credit needs in the AA. Include information about the number of contacts made and the types of organizations contacted. Be sensitive to the contact's wishes for anonymity, if applicable.
- Describe major credit needs in the assessment area and be specific. For example, when applicable use the description "affordable housing rental units" instead of "affordable housing."

- Describe any other characteristics of the AA that relate to the products offered or needs of the community. For example, if the bank extends home mortgage loans or the major credit need identified is affordable housing rental units, include the characteristics of the AA relating to the housing market (e.g., the number of owner-occupied units, age of housing stock, and median housing value). If the bank extends small business loans, include the percentage of businesses in the AA with revenues of less than \$1 million and the location of small businesses in the AA, by income category.
- If the bank requests that qualified investments and CD services be reviewed, CD opportunities should be discussed.

Conclusions about Performance Criteria

Discuss the institution's CRA performance. The facts, data, and analyses that were used to form a conclusion about the rating should be reflected in the narrative, including the institution's strengths, its areas for improvement, and an explanation of the samples selected. The narrative should clearly demonstrate how the performance criteria were analyzed in order to rate the institution. In addition to information on the core criteria, the public evaluation should include information on qualified investments and services when they are considered in the examination process.

In order to make it easier for the reader to find the support for the rating, describe the bank's performance using the following guidance and headings:

Loan-to-Deposit Ratio

- Write a conclusion statement.
- Support conclusion with appropriate facts and data.
- State the quarterly average loan-to-deposit ratio since the last CRA examination.
- If meaningful, indicate the range of the loan-to-deposit ratio for the period under review. For example, "During these eight quarters, the bank's loan-to-deposit ratio rose significantly from 33 percent on December 31, 1995 to 89 percent on September 31, 1997, with an average loan-to-deposit ratio of 73 percent."

- When comparing the bank to other similarly situated institutions, describe the group to which the bank is being compared.
- When making comparisons, include the loan-to-deposit ratios of the institutions being compared. Give consideration to including the information as a range of ratios if appropriate
- In order for the loan-to-deposit ratio to exceed the standard for "satisfactory" performance, it should be at the high end of, or exceed, the range of loan-to-deposit ratios being used for comparison.

Lending in Assessment Area

When including loan information in tables or charts, consider whether the loan types being illustrated are significant to the bank's overall lending activities.

- Write a conclusion statement.
- Support conclusion with appropriate facts and data.
- Indicate percentages of loans inside versus outside the AA using the number and dollar amount of loans originated or purchased during the evaluation period. If the data presented is from a sample of loans reviewed, provide information to explain the size of the sample, types of loans included in the sample, the period in which loans were made, etc.
- Consider the use of a table or chart to illustrate the percentage of loans inside and outside the AA.

Lending to Borrowers of Different Incomes and to Businesses of Different Sizes

- Write a conclusion statement.
- Support conclusion with appropriate facts and data.
- Consider using a table or chart to show the percentage of total loans originated to borrowers of different incomes and businesses of different sizes (show both numbers and amounts of loans). When discussing the loan distribution by income of the borrower, use the four income categories in the regulation: low, moderate, middle, and upper.

- Consider commenting on whether the loan distribution approximates the income characteristics of the AA. For example, for comparison purposes show a breakdown of the percentage of families in the AA who are low-, moderate-, middle-, and upper-income. If the loan distribution does not approximate the demographics, include information to support or mitigate any negative conclusions, as appropriate.
- If the bank does not collect information on business or farm revenue, loan size may be used as a proxy for business or farm size. If this approach is used, acknowledge that fact in the PE along with the correlation between size of loan and business size used in reaching the conclusion. If using loan size as a proxy, consider using the following loan size ranges:
 - \$0 - \$100,000
 - \$100,001 - \$250,000
 - \$250,001 - \$500,000
 - \$500,001 - \$1,000,000
- If information on business or farm revenue is collected, include data on the percentage of small business and small farm loans made to businesses and farms with revenues less than \$1 million (include data on both size and numbers of loans). Compare, as appropriate, the number of small business loans as a percent of the bank's total business loans with the percent of businesses in the AA with revenues of less than \$1 million, and the number of small farm loans as a percentage of the bank's total farm loans to the percent of farms in the AA with revenues of less than \$1 million.

Geographic Distribution of Loans

- Write a conclusion statement.
- Support conclusion with appropriate facts and data.
- Consider the use of a table or chart to present facts about the loan distribution.
- Describe the distribution of geographies using the four income categories defined in the CRA regulation.

- If data are available, compare the total loans made in each tract income geography (low, moderate, middle, and upper) with total loans made by the bank (in both numbers and dollar amounts).
- Describe whether lending is in all tracts, most tracts, etc. State the conclusions of the analysis. Identify conspicuous gaps in lending and explain the gaps or areas of low penetration in the bank's lending patterns. Doing so may help the reader understand why examiners drew the conclusions they did about the bank's performance.
- If data are available, compare the bank's farm/business loan distribution to the location of farms/businesses in the AA, and compare the distribution of residential mortgage loans with the location of owner-occupied housing units.

Qualified Investments and CD Services (Optional)

If the bank has requested that qualified investments and CD services be reviewed and that review resulted in a rating of "outstanding," describe the activities found to enhance credit availability in its AAs, including low- and moderate-income areas.

Responses to Complaints

- Write a conclusion statement. If the bank has not received any CRA-related complaints, state simply that there have been no complaints. For example, "FNB has not received any complaints about its performance in helping to meet assessment area needs during this evaluation period."
- Support your conclusions. Include information identifying the number of complaints, the subject of the complaints, and the action taken by management to respond to complaints.

Fair Lending Review

For banks that do not receive a comprehensive fair lending examination, state:

An analysis of [year(s)] public comments and consumer complaint information (as applicable, add HMDA, small business and small farm

lending data for non-CEBA limited-purpose or wholesale institutions) was performed according to the OCC's risk based fair lending approach. Based on its analysis of the information, the OCC decided that a comprehensive fair lending examination would not need to be conducted in connection with the CRA evaluation this year. The latest comprehensive fair lending exam was performed in [year].

For banks that do receive a comprehensive fair lending examination, state the following:

Describe the product line used to test for compliance with anti-discrimination laws. Briefly describe what was done, e.g., a comparative file analysis, identify the prohibited basis reviewed, and describe the conclusions reached. Write a short narrative about the institution's record of complying with the anti-discrimination laws (ECOA, FHA, or HMDA) using the following guidelines:

- When substantive violations involving illegal discrimination or discouragement are found, state that substantive violations were found, the nature and scope of the violations, whether they caused the CRA rating to be adjusted downward, and why the rating was or was not adjusted. Identify the law(s) and regulations(s) violated, the extent of the violation(s) (e.g., widespread or limited to a particular office, division, or subsidiary) and characterize management's responsiveness in acting upon the violation(s). Determine whether the institution has policies, procedures, training programs, internal assessment efforts, or other practices in place to prevent discriminatory or other illegal credit practices.
- If no substantive violations were found, state that no violations of the substantive provisions of the anti-discrimination laws and regulations were identified. Even if discrimination has not been found, comments related to the institution's fair lending policies, procedures, training programs, and internal assessment efforts may still be appropriate.

PE Checklist for Small Bank CRA

Community Contacts

Yes No

- | | | |
|--------------------------|--------------------------|---|
| <input type="checkbox"/> | <input type="checkbox"/> | Were the community contact forms for the bank's AA received from the district office? |
| <input type="checkbox"/> | <input type="checkbox"/> | Did the examiner make at least one community contact? |
| <input type="checkbox"/> | <input type="checkbox"/> | Was a copy of the contact form or meeting summary sent, preferably by LAN mail, to the district office? |
| <input type="checkbox"/> | <input type="checkbox"/> | Was a copy of the contact form or meeting summary kept in the work papers? |

Public Evaluation Format

- | | | |
|--------------------------|--------------------------|--|
| <input type="checkbox"/> | <input type="checkbox"/> | Does the PE include the CRA exam type in the header? |
| <input type="checkbox"/> | <input type="checkbox"/> | Is the date in the PE the exam start date? |
| <input type="checkbox"/> | <input type="checkbox"/> | Does the PE show the full name and street address of the bank? |
| <input type="checkbox"/> | <input type="checkbox"/> | Does the PE include name and address of the supervisory office? |
| <input type="checkbox"/> | <input type="checkbox"/> | Are the most important factors used as bullets to support the rating on the second page? |

Description of Institution

- | | | |
|--------------------------|--------------------------|---|
| <input type="checkbox"/> | <input type="checkbox"/> | Does the PE describe the main office location, branches, and depository ATMs as applicable? |
| <input type="checkbox"/> | <input type="checkbox"/> | Does the PE describe whether the bank is a sub of a holding company? If yes, include location and size of holding company. Identify any significant subsidiaries or affiliates. |
| <input type="checkbox"/> | <input type="checkbox"/> | Are the major product lines or categories of loans discussed (e.g., "the bank is primarily an agricultural lender")? |
| <input type="checkbox"/> | <input type="checkbox"/> | Does the PE include a percentage breakdown of the loan portfolio by product category by dollar? |
| <input type="checkbox"/> | <input type="checkbox"/> | Does the PE indicate asset size and percentage of net loans to total assets? |
| <input type="checkbox"/> | <input type="checkbox"/> | Is the date of the last CRA examination and the rating included? |
| <input type="checkbox"/> | <input type="checkbox"/> | Does the PE include a statement about any legal or financial circumstances, if any, impeding the bank's ability to help meet the credit needs in its AA? |
| <input type="checkbox"/> | <input type="checkbox"/> | Does the PE describe changes in the bank's corporate structure? |

Description of Assessment Area

- ☐ ☐ Does the PE describe the bank's AA?
- ☐ ☐ Does it include a statement that the AA is legal (for example, "the AA meets the requirements of the regulation")?
- ☐ ☐ If an MSA, does it include the decennial, and most recently updated HUD, MSA median family income?
- ☐ ☐ If a non-MSA, does it include the most recently updated HUD non-MSA statewide median family income?
- ☐ ☐ Does it include the percent of families by income levels?
- ☐ ☐ Does it include the income designations of geographies by number and percent?
- ☐ ☐ Unless related to the CRA conclusion, does it exclude information on the ethnic or racial makeup of the AA?
- ☐ ☐ Does the PE include other demographic data where appropriate: population of AA, median housing value, and percent of owner-occupied housing?
- ☐ ☐ Does it discuss major employers, unemployment, and economic conditions?
- ☐ ☐ Does it include information on competition (number, size, and types of financial institutions in the AA)?
- ☐ ☐ Does the PE discuss community contacts? Include the number of contacts made? Types of organizations contacted? Specifics about AA credit, investment or service needs, and opportunities?

Loan-to-Deposit Ratio

- ☐ ☐ Does this section of the PE include a conclusion statement?
- ☐ ☐ Is it supported by facts and data?
- ☐ ☐ Is the LTD ratio calculated since the last examination?
- ☐ ☐ Is the ratio compared with those of other similarly situated banks?
- ☐ ☐ Does the PE describe how the banks are similarly situated?
- ☐ ☐ Does the PE indicate the ratio is a quarterly average?
- ☐ ☐ If the ratio is low, does the PE describe internal or external factors that explain performance?

Lending in the Assessment Area

- ☐ ☐ Does this section of the PE include a conclusion statement?
- ☐ ☐ Is it supported by facts and data?

- ☐ ☐ Were primary loan products determined from originations and purchases since the last CRA exam and by dollar and number?
- ☐ ☐ Did the examiner use appropriate product lines to determine the sample?
- ☐ ☐ Are conclusions stated by number and dollar for originations and purchases?
- ☐ ☐ Are time frames for loan samples consistent among loan products?
- ☐ ☐ Are loan samples taken from originations since the last exam?
- ☐ ☐ Are time frames for loan samples consistent among loan products?

Lending to Borrowers of Different Incomes and to Businesses of Different Sizes

- ☐ ☐ Does this section of the PE include a conclusion statement?
- ☐ ☐ Is it supported by facts and data?
- ☐ ☐ Do conclusions start by discussing primary product lines?
- ☐ ☐ Are conclusions based on originations and purchases since the last CRA exam rather than outstandings?
- ☐ ☐ Are product categories kept separate in the tables or conclusions, if possible?
- ☐ ☐ Are low- and moderate-income data presented separately?
- ☐ ☐ If possible, are conclusions based on revenues instead of loan size as proxy?
- ☐ ☐ Is there a tie between conclusions and community credit needs summarized under description of AA?
- ☐ ☐ For non-business/farm loans, are borrower distribution percentages compared with the percent of families?
- ☐ ☐ For business/farm loans, are borrower distribution percentages compared with the percent of businesses/farms that are small?

Geographic Distribution

- ☐ ☐ Does this section of the PE include a conclusion statement?
- ☐ ☐ Is it supported by facts and data?
- ☐ ☐ If applicable, does the comparison use percent of owner-occupied housing in each tract income category for residential RE loans? Percent of businesses in each tract income category for business loans? Percent of farms in each tract income category for farm loans? Percent of population in each tract income category for consumer loans?

- ☐ ☐ Does the analysis use dollar and number of loans?
- ☐ ☐ Does the PE state whether the analysis reflects lending in all tracts, most tracts, etc.? Does it explain any gaps or areas of low penetration in the bank's lending patterns?

Response to Complaints

- ☐ ☐ Does this section of the PE include a conclusion statement?
- ☐ ☐ If applicable, are facts regarding complaints supplied to support conclusions? The number of complaints? The subject of the complaint? The action taken by management in response?

Record of Compliance with Antidiscrimination Laws

- ☐ ☐ Does this section of the PE include a brief description of the examination scope?
- ☐ ☐ Does this description of the bank's record of complying with the antidiscrimination laws (ECOA, Regulation B, Fair Housing Act) follow the examination guidance that discusses what to include in the PE?

Community Contact Form

Using the following community contact form, examiners should summarize each interview conducted with a community-based organization. Its purpose is to provide a consistent means by which financial institution regulators can share information obtained through interviews for a particular community. The individual conducting the interview should inform the interviewee that this information will be shared with other regulatory agencies.

The interviewee has authorized the interviewing agency's staff to:

- ☐ Never reveal his/her identity to persons outside the regulatory agencies.
- ☐ Not to reveal his/her identity at this time but to seek his/her permission when appropriate.
- ☐ Reveal his/her identity if the interviewing agency's staff determines that such a disclosure would be beneficial in enforcing relevant laws, regulations, or policies.

1. Regulatory agency
District/regional office

2. Date of contact

3. Interviewee information

Name

Title

Organization represented _____

Type (see "Community Reinvestment Act Examination Procedures" handbook) _____

Address _____

City _____ State

4. Was this the first contact with this organization made in connection with a current examination or as a follow-up contact?

☐ first ☐ repeat

5. Was the interview conducted in conjunction with an examination? If yes, which one?
6. Summarize the organization's purposes, functions, and sources of funding. Attach any literature, if available. Include the organization's impact, if applicable (for example, number of low-income clients served, number of units built, etc.).
7. Identify the boundaries of the political or geographic area served by the organization (may check more than one)
☐ state ☐ county ☐ MSA ☐ city/town
☐ other _____

In the area provided below, be specific about the names of any of the geographic entities identified above. If the institution serves smaller geographic areas, be specific about their location, including physical boundaries and names of neighborhoods wherever possible.

8. Summarize the interview into the following three categories using as many pages as needed. For more guidance on preparing the write-up, see the material under "Conducting the Interview" in the "Community Reinvestment Act Examination Procedures" booklet.

Community profile: Current economic conditions; current demographic characteristics; general banking and credit needs; other (e.g., identifying names of low- or moderate-income neighborhoods).

Opportunities for participation by local financial institutions: Community development, other credit-related projects, or financing programs; amount of opportunity for bank involvement.

Performance of local financial institutions: Perceptions or experience regarding the amount of involvement of the local financial institution industry and of the specific financial institution (if obtained) in the community.

9. Person in charge of examination: _____
Interviewer: _____

Request Letter



**Comptroller of the Currency
Administrator of National Banks**

Field Office
Street Address
City, State, ZIP Code

[Date]

[Name of President]
President
[Name of Bank]
[Street or P.O. Address]
[City, State, ZIP Code]

Dear Mr./Ms. [Name of President]:

We will arrive at the bank on [examiner arrival date] to conduct a compliance examination. Our objective is to evaluate the bank's compliance with consumer laws and regulations. In order for us to prepare effectively for this examination, please send the requested information listed on the first portion of the Request Letter Enclosure to the address listed above by [date]. Please have the rest of the information available upon our arrival. Unless otherwise noted, all information should be as of [as of date].

This examination is being conducted under the authority of 12 USC 481. However, it also constitutes an investigation within the meaning of section 3413(h)(1)(A) of the Right to Financial Privacy Act. Therefore, in accordance with section 3403(b) of the act, the undersigned hereby certifies that the OCC has complied with the Right to Financial Privacy Act, 12 USC 3401, *et seq.* Section 3417(c) of the act provides that good faith reliance upon this certification relieves your institution and its employees and agents of any possible liability to the consumer in connection with the disclosure of the requested information.

Should you have any questions, contact the undersigned at [telephone].

Sincerely,

—Signature—

[Name]
[Title]

Enclosure

Request Letter Enclosure

The information should be as of (*examination as-of date*), unless otherwise indicated.

By (insert a date approximately two weeks before examination starts), please forward to (insert examiner name and address) the following information:

- Copies of compliance reviews or audits conducted by your bank since the last compliance examination (*insert date*), a list of the regulations reviewed or audited, and any management response.

Note: You do not have to provide the results of any fair lending self-evaluations. However, should you voluntarily disclose the evaluations that include comparative file analyses, the scope of the fair lending examination may be reduced.

- Loan trial balances or other available reports that identify loans made since the last examination, and applicable code explanations.
- The Home Mortgage Disclosure Act/Loan Application Register on disc (if available) for the previous calendar year and year-to-date, if applicable.
- If applicable, a description of any credit scoring system used by the bank.
- For the CRA evaluation, any available information the bank wants considered, such as any CRA lending analyses or CRA self-assessments and information on the assessment area (i.e., identified credit needs and economic, competitive, and demographic data).
- A map of each assessment area, including a list of geographies within each assessment area, and the location of the bank's branches and deposit-taking ATMs.
- A list of community development loans made since the last compliance examination (*insert date*), including origination date, borrower name, dollar amount, and loan purpose.
- If the bank wishes such information to be considered, please provide the following:
 - A list of qualified investments and any supporting documentation since the last examination (*insert date*).
 - A list of community development services and any supporting documentation since the last examination (*insert date*).
- A list of interstate branches established pursuant to the Riegle-Neal Interstate Banking and Branching Efficiency Act of 1994.

PLEASE PROVIDE COPIES, OR HAVE AVAILABLE, ON THE FIRST DAY OF THE EXAM (INSERT DATE):

Audit/Compliance Review

Please **make available**:

1. Audit/compliance review procedures and working papers for audits/reviews performed in the prior 18 months.

Please **prepare or provide a copy of**:

2. For the audit/compliance review staff, a description of: a) their qualifications, continuing education, and experience, b) job responsibilities, and c) reporting lines.

Anti-Money Laundering/Bank Secrecy Act (BSA)

Please **provide copies of**:

3. Job description of the individual(s) responsible for BSA compliance.
4. The bank's:
 - a. BSA/anti-money laundering program and system to identify and report suspicious transactions.
 - b. Account opening policies and procedures.
 - c. System to identify embargoed countries, businesses or persons, as required by the Office of Foreign Assets Control (OFAC) regulations.
5. Any IRS/Treasury correspondence and any criminal or civil summons or subpoenas regarding BSA or money laundering since the last examination (*insert date*).
6. A list of the bank's:
 - a. Customers exempt from currency transaction reporting requirements and supporting documentation (Designation of Exempt Person Forms; exempt person designation CTRs).
 - b. Payable-through accounts with foreign banks.
 - c. Due from (nostro) foreign bank accounts with a balance that exceeded \$10,000 at any time during the previous calendar year, and the most recent Country Exposure Report.
 - d. Special use accounts (e.g., suspense, concentration, omnibus, settlement, intra-day, sweep accounts) used for wire transfers or other customer transactions.

Please **make available**:

7. The following reports, if available:
 - a. Suspected Kiting Reports for the one-week period preceding the request letter date.
 - b. Loans Collateralized by Cash as of [exam date].
 - c. Certificates of deposit cashed prior to maturity (prior 12 months).

- d. Loans that have paid off early, including defaulted cash-secured loans (prior 12 months).
 - e. A listing of DDA accounts in which the balance exceeded \$50,000 during the previous six months.
 - f. Other reports used in the BSA/AML risk management process.
- 8. A description of controls used to process "Payable upon Proper Identification (PUPID)" transactions and international transactions received by pouch or courier, as well as any associated logs, etc., if applicable.
 - 9. Automated large-transaction reports for the previous three months, or, if not available, teller cash ins/outs for the three-day period preceding (*insert the request letter date*). Provide this information for the main office and two (*examiner determined*) branch offices.
 - 10. Incoming and outgoing wire transfer, telex, and monetary instrument logs, or comparable records, for the past three months.
 - 11. Currency transaction reports (CTRs), suspicious activity reports (SARs), report of international transportation of currency or monetary instruments (CMIRs or Customs Form 4790), and report of foreign bank and financial accounts (FBARS or Treasury Department Form TDF 90-22.1) filed by the bank since the last examination (*insert date*), or in the past two years, whichever is less.
 - 12. Documentation identifying unusual or suspicious activity about which management decided not to file an SAR.
 - 13. An overview of the BSA/anti-money laundering training program, including program content, attendance, and frequency.
 - 14. A description of the employment screening process for hiring new employees. We will select a sample of personnel files for review.

Flood Disaster Protection Act

Please **make available**:

- 15. A copy of bank contract(s) with third parties performing flood determination services.
- 16. Flood maps used to determine whether a property is in a standard flood hazard area (SFHA), if available.

Home Mortgage Disclosure Act

Please **provide copies**:

- 17. Any correspondence received from the Federal Reserve, such as notices regarding errors identified in processing the most recent HMDA-LAR.

Fair Credit Reporting Act

Please **provide**:

18. Prescreening criteria for solicitations offered since the prior compliance examination.

Please **make available**:

19. Adverse action notices, including deposit denials.

Truth in Lending Act

Please **provide**:

20. For banks with trust departments, a listing of loans made from trust accounts (in which the bank, not the plan sponsor, is responsible for making TILA disclosures) that have originated 25 or more loans in the past 12 months.

Please **make available**:

21. Open-end credit: If you have revised your computation methods, changed the format of periodic statements, or implemented new programs since the last examination (*insert date*), provide five periodic statements with activity in the month before (*insert request letter date*). (Open-end credit includes debit cards that have access to overdraft lines of credit.)

Real Estate Settlement Procedures Act

Please **provide**:

22. Information on any fees paid or received for referral of real estate loan business.
23. Information on the bank's escrow practices.

Truth in Savings Act

Please **make available**:

24. Five (or two, if statements are automated) periodic statements, including those sent electronically, from the month prior to (*insert request letter date*) for each type of interest-bearing deposit account. Include the daily collected balance for each day of the statement cycle if used to calculate interest.

Expedited Funds Availability Act (EFAA)

Please **provide**:

25. A list of all types of transactions for which your bank delays funds availability in accordance with EFAA.

Please **make available**:

26. Hold reports or records from the main office and two (*examiner determined*) branch offices for the past month.

Interest On Deposits

Please **make available**:

27. Trial balance of NOW accounts.
28. Documentation on the last five time deposits that were paid prior to maturity and paid prior to (*insert request letter date*) (pull only those that were processed during the past six months).

Right to Financial Privacy Act

Please **make available**:

29. Requests for customers' financial records received from federal government authorities since the last examination (*insert date*).

Consumer Leasing Act

Please **make available**:

30. Trial balance for consumer leases, if any.

Fair Debt Collection Practices Act (FDCPA)

Please **make available**:

31. A list of accounts in the process of collection. Provide this information only if you act as a debt collector under FDCPA. If you collect only your own debts in your own name, this does not apply to your bank. See 15 USC 1692a(6).

Fair Lending

Please **make available**:

32. Any loan application forms that have changed since the last examination (*insert date*).
33. Underwriting requirements and application procedures for (*insert product*).
34. Adverse action files since the last examination (*insert date*).

Community Reinvestment Act

Please **make available**:

35. The CRA public file, CALL reports, and the bank's annual report.

Miscellaneous Information

Please **provide copies**:

36. Any standard forms that have changed since the last examination (*insert date*). If disclosures are provided electronically, please describe the bank's procedures for obtaining customer agreement, updating disclosure content, and ensuring timely disclosures.

Please **make available**:

37. All consumer complaint files for the past 12 months (including open-end credit, electronic fund transfer, lost/stolen credit cards, and disputes involving credit reporting agency files).
38. Advertising copy for the past 12 months. (Include newspaper ads, direct mail promotions, television and radio scripts, lobby brochures, statement stuffers, electronic media (Internet), and any other.)
39. A list containing the usury rates for each state in which the bank makes loans.

Community Bank Consumer Compliance

References

Laws

12 USC 1951 et seq., Bank Secrecy Act
12 USC 2601 et seq., Real Estate Settlement Procedures Act
12 USC 2801 et seq., Home Mortgage Disclosure Act
12 USC 2901 et seq., Community Reinvestment Act
12 USC 3401 et seq., Right to Financial Privacy Act
12 USC 4001 et seq., Expedited Funds Availability Act
12 USC 4301 et seq., Truth in Savings Act
12 USC 4901 et seq., Homeowners Protection Act
15 USC 1601 et seq., Truth in Lending Act
15 USC 1667 et seq., Consumer Leasing Act
15 USC 1681 et seq., Fair Credit Reporting Act
15 USC 1691 et seq., Equal Credit Opportunity Act
15 USC 1692 et seq., Fair Debt Collection Practices Act
15 USC 1693 et seq., Electronic Fund Transfer Act
31 USC 5311 et seq., Bank Secrecy Act
42 USC 3601 et seq., Fair Housing Act
42 USC 4001-4128, Flood Disaster Protection Act

Regulations

12 CFR 21, Minimum Security Devices and Procedures, Reports of Suspicious Activities, and Bank Secrecy Act Compliance Program
12 CFR 22, Loans in Areas Having Special Flood Hazards
12 CFR 25, Community Reinvestment Act
12 CFR 25, Subpart D, Prohibition against Use of Interstate Branches Primarily for Deposit Production
12 CFR 34, Subpart B, Adjustable-Rate Mortgages
12 CFR 202, Equal Credit Opportunity
12 CFR 203, Home Mortgage Disclosure
12 CFR 204, Reserve Requirements
12 CFR 205, Electronic Fund Transfers
12 CFR 213, Consumer Leasing
12 CFR 217, Interest on Deposits
12 CFR 226, Truth in Lending
12 CFR 227, Subpart B, Credit Practices Rule
12 CFR 229, Availability of Funds and Collection of Checks

12 CFR 230, Truth in Savings
12 CFR 328, Advertising of Membership
12 CFR 590, Preemption of State Usury Laws
24 CFR 100-110, Fair Housing Regulation
24 CFR 3500, Real Estate Settlement Procedures
31 CFR 103, Financial Record Keeping and Reporting of Currency and Foreign Transactions

OCC Publications and Issuances

Advisory Letter 97-1, "HMDA Reporting of Data"
Advisory Letter 97-2, "Purchase of Community Development Securities"
Advisory Letter 98-4, "Safe Harbor When Filing SARs"
Advisory Letter 98-9, "Access to Financing for Minority Small Businesses"
Advisory Letter 99-1, "State CRA Laws"
Advisory Letter 2000-3, "Bank Secrecy Act Compliance Programs — Suspicious Activity Reporting Requirements"
Advisory Letter 2000-5, "RESPA Q&A on HUD-1 Settlement Statement"
Advisory Letter 2000-7, "Abusive Lending Practices"
Advisory Letter 2000-8, "U.S. Department of Treasury FinCEN Advisories 13 through 27"
Banking Bulletin 92-17, "Guide to Fair Mortgage Lending"
Banking Bulletin 93-30, "Joint Statement on Fair Lending Expectations"
Banking Circular 263, "National Bank Fair Lending Efforts"
*Comptroller's Handbook for Compliance**
Examination Circular 263, "SMS Documentation Policy"
OCC Bulletin 94-30, "Discrimination in Lending — Interagency Policy Statement"
OCC Bulletin 96-41, "RESPA Final Rule and Policy Statements"
OCC Bulletin 96-56, "Community Reinvestment and CEBA Banks"
OCC Bulletin 97-26, "CRA Performance Context"
OCC Bulletin 98-12, "Reimbursement Pursuant to 108(e) of TILA"
OCC Bulletin 98-19, "HMDA: *A Guide to HMDA Reporting: Getting It Right!*"
OCC Bulletin 98-32, "Civil Money Penalties — Interagency Statement"
OCC Bulletin 98-44, "TILA — Administrative Enforcement Policy Statement"
OCC Bulletin 99-14, "RESPA — Lender Payments to Mortgage Brokers"

OCC Bulletin 99-16, "Consumer Leasing — Revision of Official Staff Commentary"
OCC Bulletin 99-18, "Truth in Lending Revision of Official Staff Commentary"
OCC Bulletin 99-23, "Homeowners Protection Act of 1998"
OCC Bulletin 99-27, "Branch Closings — Joint Policy Statement"
OCC Bulletin 99-34, "Truth in Lending Reimbursement — Guidance for Examiners and Bankers"
OCC Bulletin 99-35, "Regulation DD; Truth in Savings — Interim Rule; Electronic Delivery of Disclosures"
OCC Bulletin 99-47, "HMDA — Instructions for Filing HMDA-LARS — Guidance for Bankers"
OCC Bulletin 00-01, "Fair Credit Reporting Act (15 USC 1681-1681t) Examination Procedures"
OCC Bulletin 00-03, "Consumer Credit Reporting Practices — FFIEC Advisory Letter"
OCC Bulletin 00-09, "Prohibition against Interstate Deposit Production — Annual Loan-to-Deposit Ratios"
OCC Bulletin 00-12, "HMDA — Exemption Threshold for Depository Institutions"
OCC Bulletin 00-13, "Regulation Z Truth in Lending — Final Rule"
OCC Bulletin 00-15, "CRA Interagency Qs & As"
OCC Bulletin 00-17, "CRA Income Level, Area Median Income for 2000"
OCC Bulletin 00-19, "Suspicious Activity Report"
OCC Bulletin 00-22, "Standards for Safeguarding Customer Information"
OCC Bulletin 00-24, "Bank Secrecy Act — Interim Rule"
OCC Bulletin 00-25, "Privacy Laws and Regulations"
PPM 5000-7 (Rev), "Civil Money Penalties"
PPM 5000-8, "Examination Working Papers"
PPM 5310-3 (Rev), "Policy for Taking Corrective Action"
SMS Technical Bulletin 94-4, "Exam Narrative Report — BSA"

* All of the booklets in the *Comptroller's Handbook for Compliance* provide guidance on community bank consumer compliance.